

CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

FIFTH SESSION—TWENTY-SECOND PARLIAMENT

5-6 ELIZABETH II

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House of Commons Debates

OFFICIAL REPORT

Speaker: The Honourable L. René Beaudoin

Tuesday, January 8, 1957

FIFTH SESSION—TWENTY-SECOND PARLIAMENT—OPENING

The parliament which had been prorogued earlier this day met again at Ottawa for the dispatch of business.

The house met at 2.30 o'clock, the Speaker in the chair.

Mr. Speaker read a communication from the secretary to the Governor General, announcing that His Excellency the Governor General would proceed to the Senate chamber at 2.30 o'clock on this day, for the purpose of formally opening the session of the dominion parliament.

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

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

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

And the house being returned to the Commons chamber:

OATHS OF OFFICE

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

Motion agreed to and bill read the first time.

SPEECH FROM THE THRONE

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

Honourable Members of the Senate:

Members of the House of Commons:

It is again a pleasure for me to greet you as you resume your parliamentary duties in this new year.

The international scene continues to be characterized by instability in the Middle East and in eastern Europe.

My ministers remain convinced of the need to maintain the basic unity of the commonwealth and the reality of the western alliance, to contribute effectively to the supervision of the cessation of hostilities between Israel and Egypt under the authority of the United Nations and to the achievement of a lasting settlement of Middle East problems.

Visits to Canada in the last few weeks by the prime ministers of Ceylon and India have been conducive to a renewed strengthening of the bonds which unite the peoples of the commonwealth in their constant aim to co-operate in the pursuit of peace, liberty and progress.

An encouraging advance is being made, as evidenced by the latest ministerial meeting of the council, in the development of the North Atlantic Treaty Organization in the non-military as well as in the military field. My ministers remain strongly convinced of the need to maintain the North Atlantic treaty as the keystone of the defence of the western nations.

In the Middle East Canadian servicemen, as part of the United Nations emergency force proposed by Canada at the general assembly of the United Nations, are performing valuable tasks in the interest of world peace.

The United Nations has served to focus world opinion on the brutal repression of the heroic Hungarian people in their endeavour to throw off the yoke of Soviet imperialism. The vast humanitarian problems that have arisen as a result of Soviet intervention require the joint efforts of many countries. Through the United Nations, the Red Cross, and in co-operation with the government of Austria, this country is playing its part in relieving suffering and re-settling the refugees.

The entrance into Canada of Hungarian refugees has been greatly facilitated and free transportation provided from Austria to new homes in this country. Already thousands of these Hungarians have been welcomed to Canada and we look forward to receiving thousands more during the winter and spring. There are also substantially increasing numbers of immigrants from the British Isles arranging to proceed to Canada this year.

Recent events have confirmed my ministers' belief in the importance of seeking solutions to international problems through the United Nations

and of upholding by all practical and constructive means the principles of the United Nations charter. My ministers also believe, however, that while making every effort to achieve these long-term goals, the western nations must remain strong and united in their defences and in their diplomacy in order that aggressive action against them will be prevented and international tension can be lessened.

Excellent progress is being made in our national economic development. Expansion is evident in every part of Canada. Rapid strides are being made in opening up and utilizing our natural resources and in our industrial and urban growth. Employment has reached unprecedented levels. Once again we have been blessed with good crops. External trade was considerably greater last year than during any previous year. Canadians in almost every part of the country have been enjoying the benefits of this invigorating economic climate.

Indeed our economic expansion has been so rapid that it has put a serious strain upon the supply of various types of labour and materials needed for the many projects which are being put in hand. The corresponding competition to borrow savings to finance all these projects has brought about an increase in interest rates. Increases in the volume of money and credit have had to be carefully limited in order to check inflationary tendencies and the financial policies of my government have also been directed to counteract these same tendencies.

In the last few days a serious industrial dispute has led to a stoppage of work on one of the major railways of Canada despite the use of the normal processes of conciliation. Special efforts have been made and are continuing to be made by my ministers to assist the parties to reach an agreed settlement.

The preliminary report of the royal commission on economic prospects has been received and will shortly be laid before you.

You will be asked to approve a measure for the establishment of a Canada Council for the arts, humanities and social sciences, in order to give a new impetus to the development of Canadian scholarship and culture. In this measure you will be asked to approve an endowment for the council so that it may discharge its functions with the greatest possible sense of responsibility.

Because it is important that our universities should be able to keep pace with the increasing demands to be made upon them by the increasing number of young Canadians, you will be asked to approve a further grant of money to the Canada Council to be distributed by it for the purpose of assisting Canadian universities in some of their necessary construction projects. You will also be asked to approve the doubling of the annual grants to universities, and the payment of these funds to the national conference of Canadian universities for division by it among the recognized institutions of higher learning.

A measure will be placed before you for the purpose of renewing on a revised and increased basis the federal program of grants to provincial governments in aid of technical and vocational training.

It is proposed to recommend in the Senate the establishment of a committee to consider what should be done to make better use of land for agriculture and thus to contribute more effectively to the improvement of agricultural production and the incomes of those engaged in it.

An amendment extending the scope of the Municipal Grants Act will be laid before you to authorize the payment of grants in lieu of taxes on federal property in all municipalities where such property receives the normal municipal services.

[Mr. Speaker.]

An amendment to the Merchant Seamen Compensation Act will be presented making appropriate improvements in the scale of benefits to disabled seamen and the dependents of deceased seamen.

You will be asked to consider legislation for the implementation of a north Pacific fur seal convention.

An amendment to the Sockeye Salmon Convention Act to include pink salmon in this international agreement will also be laid before you.

You will be asked to consider a revision of the law controlling narcotic drugs in the light of the report of the Senate committee on the use of narcotics in Canada.

A bill will be introduced for the purpose of continuing the Canadian wheat board as the sole marketing agency for western wheat, oats and barley.

A measure will be laid before you to provide for the division of the national museum of Canada into two museums to be known as the Canadian museum of natural history and the Canadian museum of human history.

A revision of the Federal District Commission Act will be presented for your consideration.

Amendments of detail to a number of other acts will also be introduced.

Members of the House of Commons:

You will be asked to appropriate the funds required to maintain the services and payments provided under the authority of parliament.

Honourable Members of the Senate:

Members of the House of Commons:

May Divine Providence guide you in your deliberations.

MOTION PROVIDING FOR CONSIDERATION LATER THIS DAY

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

That the speech of His Excellency the Governor General to both houses of parliament be taken into consideration later this day.

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

Mr. Stanley Knowles (Winnipeg North Centre): Before this motion carries, Mr. Speaker, may I ask the Prime Minister whether the government plans at any time to make a statement on or provide for a discussion of the present railway strike, and in that connection whether the government would consider tabling all documents in relation to this matter, including Senator Roebuck's minority report?

Mr. St. Laurent (Quebec East): Mr. Speaker, the matter has been referred to in the speech from the throne and I think it is extremely apt to be dealt with in the debate that will take place on the speech from the throne. As to the production of papers, may I say that any papers in the possession of the Department of Labour can, I assume, be laid on the table for the information of hon. members.

Motion agreed to.

SIR ROBERT BORDEN

INCLUSION OF SPEECHES MADE AT UNVEILING OF STATUE TODAY

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, with the unanimous consent of the house, I hope, I beg leave to move, seconded by the Leader of the Opposition, that the addresses delivered today at the unveiling of the statue of Sir Robert Borden, a former prime minister of Canada, be made an appendix to the *Hansard* of this day.

Motion agreed to.

(For text of above see appendix, pages 15-19.)

HOUSE OF COMMONS

CONGRATULATIONS TO LEADER OF THE OPPOSITION ON ELECTION AND ASSUMPTION OF DUTIES

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I have another agreeable duty to perform. I would preface it by reminding the house that, at the beginning of the special session of parliament, which was officially closed this morning, I had the privilege of expressing our sincere regret that Hon. George Drew's health made it impossible for him to continue as leader of his party and of Her Majesty's loyal opposition in this house.

I also expressed our hope, which I know was shared by all hon. members, for the speedy restoration of Mr. Drew's health and for the continuance of his important contributions in the public service of our country. I know hon. members must have been delighted to see him at the ceremonies this morning which marked the unveiling of the monument to Sir Robert Borden and to note what rapid progress Mr. Drew has already made, and I am sure they will join with me in wishing him an early, complete and lasting return to his former robust health.

I now wish to extend our most hearty congratulations to the hon. member for Prince Albert (Mr. Diefenbaker) on his recent election as the leader of his party and on the assumption of his duties as Leader of the Opposition in this chamber. The hon. member's new position is one of the most important in our parliamentary system. In all countries which model their system on that of the United Kingdom, competent and responsible examination in the House of Commons of government policies and conduct has proved throughout the years to be one of the most convincing guarantees of efficiency and fairness in the administration of public affairs. Here in Canada the leader of the opposition is also recognized as the most likely alternative for the position of prime minister in the event—which he and his supporters perhaps consider less unlikely and remote than do we on this side of the house—that the government should fail to have the support of a majority of the members of this house.

The hon. member for Prince Albert has had a long experience in public life and all of us in this chamber have learned to appreciate his talents, his industry, his incisiveness and his pertinacity in promoting what he has regarded as in the best interests of Canada. I do not imagine that his new responsibilities are apt to lessen his belief that the most urgent requirement in that regard is to bring about the downfall of this government; and to, I am sure, the satisfaction of those who sit on the other side of the house, I promise him that we will do our best to provide him with a long period in which to exercise his pertinacious efforts towards that objective.

He and I have disagreed on many occasions and I expect that we shall continue to do so perhaps quite frequently in the future. That is only natural in view of our respective positions. But I hope that we shall be able to disagree in a manner in keeping with the high standards of parliamentary debate and that despite our disagreements we shall continue to respect the sincerity of purpose of one another and our common desire to be of real service to our fellow citizens.

I extend to the Leader of the Opposition our sincere good wishes in his new position and I wish to assure him quite seriously that I will be ready at all times to discuss with him in advance matters which need not be controversial on party lines and about which national unity might perhaps be best served by solutions that we could all recommend to those whom we represent in parliament.

(Translation):

I also wish to congratulate the hon. member on the excellent French he used in the few sentences in this other official language of our people when he addressed the convention at which he was elected leader of his party last December.

Finally, in conclusion, I ask Mrs. Diefenbaker to rest assured that we associate her in our minds in the congratulations and good wishes which we are conveying to her husband today, for we are well aware of the important part which she will play in helping him in the appropriate performance of his new responsibilities.

(Text):

Mr. M. J. Coldwell (Rosetown-Biggar): May I join the Prime Minister (Mr. St. Laurent) in extending congratulations to one of our number who has been elevated to the high office of Leader of the Opposition. I am sure that irrespective of our parties in this house we recognize the importance of the office to

which he has been elevated and the large obligations which he has had to assume, both as leader of his party and Leader of the Opposition. The Leader of the Opposition and I for a long time occupied neighbouring constituencies and therefore I have known him for a number of years. I am quite sure all of us hope he will retain good health and strength in order that he may carry on the work that is demanded of this very important office. Too many of those who have assumed high office in this country, as leader of the opposition or in other capacity, have broken down under the strain.

I join in the regret expressed by the Prime Minister, regarding the loss from this house of the former leader of the opposition. I want to say to the Leader of the Opposition that I hope, in spite of the efforts he will make to build up his party to a more influential position than it has had for a large number of years, he will take care of his health, because that is of primary importance.

Mr. Solon E. Low (Peace River): We would like to join with the Prime Minister (Mr. St. Laurent) and the leader of the C.C.F. party, Mr. Speaker, in extending a very warm welcome to the newly elected leader of the official opposition in this house. We congratulate him on his elevation to that very important position. We recognize fully the great responsibilities that do devolve on a leader of the opposition. Good government in Canada has to depend to a very large degree on the quality of the opposition and the leadership in that opposition; that is very important.

I should like to express one word of caution and advice, as has already been expressed by my friend the leader of the C.C.F., and it is this. I think that to safeguard his health the Leader of the Opposition ought to relax. Since, as the Prime Minister has said, he is going to have plenty of time he can do his work without working under tension and stress, because that is what kills. If he will take a word of advice from me he will take better care of himself than some others have done, including myself. I do wish him every success and warmly congratulate him. He is a westerner. He has been a good friend of mine throughout the years, and I am glad to see him elevated to this very important position.

Mr. J. G. Diefenbaker (Leader of the Opposition): My first words, Mr. Speaker, must be to express my deep and abiding appreciation for the very warm sentiments expressed by the Prime Minister and by the leaders of the C.C.F. and Social Credit parties. I am one of those who, over the years, have known all of these gentlemen, the Prime Minister and the hon. member for Rosetown-Biggar before I came into this house. I love this chamber, for however much we may disagree—and when strong men have strong opinions on occasion they use strong language to express them—we retain that conformity with the tradition of respect for one another. It is in that spirit that I thank the Prime Minister and the other hon. members for what they have said.

I want to thank the Prime Minister, too, for those very chivalrous words that he expressed regarding my wife, words that were full of kindness and consideration and represent something of what we so often forget in this chamber, the contribution that our helpmates make to us in order to permit us to remain in public life.

The Prime Minister referred, somewhat eulogistically, to my endeavours to speak one of the two official languages. May I be permitted, with diffidence which I do feel, to reply to him as best I may. With the indulgence of the house I should like to say this, Mr. Speaker.

(*Translation*):

I appreciate the generous references made by the Prime Minister in the French language and with diffidence I hope that the day will come when I shall be able to express myself with greater ease and assurance in that beautiful language.

(*Text*):

That will be my endeavour, realizing the difficulties that I will experience in that regard. Over the years I have endeavoured, as you know, sir, to anticipate the day that I would do so. Over five years ago, at the parliamentary conference in Australia, I told you of my desire, but my extreme diffidence.

The Prime Minister has mentioned the position of the opposition, recognized as it is in our democratic tradition as a basic element of parliamentary government. Some there are of the communist states that claim to have parliamentary democracies, but the salient differences between those democracies and ours may be summarized in a few words. Oppositions do not exist in the tradition of communist countries. The essence of our system of government, the basic foundation, is the right of each of us to disagree. The Prime Minister paraphrased, I think, the words of Tierney, who over 140 years ago said, as I recall it, "The function of an opposition is to propose nothing, to oppose everything and to turn out the government." With the first two obligations, I am in disagreement, but I say, sir, that in this year of grace the third would seem to be one worthy of adoption.

As the Prime Minister showed such an intimate knowledge of the responsibilities of an opposition, I hope the opportunity will come to him and to Canada to display that knowledge.

Now, sir, all I will say further at this time is to repeat my thanks and to reaffirm my desire to maintain, as the Prime Minister so eloquently said, the traditions and the customs of parliament, to expedite the public business and at all times—and I say this with humility—determine to do nothing that will detract from the dignity and prestige of this institution, our parliament. Six hundred years of experience has revealed that if parliament is maintained in all its greatness, and if the functions of free debate are not interfered with, freedom will never be destroyed or even impaired.

I believe that this institution is one which, when it discharges its responsibilities in accordance with our traditions, will preserve our freedom from within as from without. I thank the Prime Minister and my hon. friends for being so kind as to suggest that I may, in a humble way, discharge the responsibilities of this office.

INTERNAL ECONOMY COMMISSION

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

The Governor General transmits to the House of Commons a certified copy of an approved minute of council appointing the Hon. James J. McCann, Minister of National Revenue, the Hon. S. S. Garson, Minister of Justice, the Hon. Hugues Lapointe, Minister of Veterans Affairs, and the Hon. W. E. Harris, Minister of Finance, to act with the Speaker of the House of Commons as commissioners for the purposes and under the provisions of the 143rd chapter of the Revised Statutes of Canada, 1952, intituled: An act respecting the House of Commons.

STANDING COMMITTEES

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

That a special committee be appointed to prepare and report, with all convenient speed, lists of members to compose the standing committees of this house under standing order 65, the said committee to be composed of Messrs. Harris, Knowles, Lapointe, Tustin and Weir.

Motion agreed to.

HOUSE OF COMMONS

APPOINTMENT OF DEPUTY CHAIRMAN OF COMMITTEES OF THE WHOLE

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

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

Motion agreed to.

SPEECH FROM THE THRONE

ADDRESS IN REPLY, MOVED BY MR. R. F. L. HANNA AND SECONDED BY MR. H. J. ROBICHAUD

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

Mr. R. F. L. Hanna (Edmonton-Strathcona): Mr. Speaker, on this memorable occasion of my life I would first of all like to thank the right hon. Prime Minister for the great honour he has bestowed upon me by inviting me to move the address in reply to the speech from the throne here this afternoon. I have no doubt, however, that the Prime Minister desired especially to honour the residents of Edmonton-Strathcona whom I have the privilege of representing in this House of Commons. On their behalf I assure him that we are most grateful for the recognition that he has bestowed on what we believe to be one of the finest communities in all of Canada. It is my hope that on this occasion I may be able to do justice to them as their representative in parliament.

As we have barely crossed the threshold of 1957, Mr. Speaker, may I take this opportunity to wish you, sir, and through you, all hon. members of this House of Commons a happy, healthful and prosperous new year.

I do regret, Mr. Speaker, as I am sure do all hon. members, the circumstances which have compelled the Hon. George Drew to resign his seat in this House of Commons. He will be very much missed by everybody here. Mr. Drew has performed outstanding services to his country in many ways, and I am sure we all wish for him a speedy recovery to his normal good health and vigour. In that connection, Mr. Speaker, I would like to congratulate the hon. member for Prince Albert (Mr. Diefenbaker) on his election as leader of the Progressive Conservative party of Canada. He, too, has had a distinguished career both at the bar and here in parliament. He is now leader of Her Majesty's loyal opposition, and I know that he will appreciate my sincerity as a supporter of this government when I wish him many happy years in the high office which he now holds in parliament. I was impressed this afternoon, Mr. Speaker, by the good counsel that he received from other members of this chamber that he should not work too hard to overthrow the present government.

It is a good thing for Canada, I believe, that on an occasion like this the government can select a government backbencher from any one of the 10 provinces or the northern territories to move the address in reply to

the speech from the throne. Regardless of what political party may be in power from time to time, I think it is important that that party should draw support from all parts of Canada, and I am certainly glad that this is so at the commencement of this fourth session of the 22nd parliament. It is one more example, I think, of the national unity which is more in evidence throughout Canada as time goes on, and I would like to congratulate my colleague, the hon. member for Gloucester in the province of New Brunswick, on being invited to second the address. His province, we all recall, was one of the four originals in the spendidly conceived confederation of Canada.

May I be permitted, Mr. Speaker, at this point, to say a few words about the province and the city from which I come? I consider myself fortunate indeed to be the representative of a city that has no special problems other than those that arise out of prosperity, growth and good fortune. We in Edmonton are not plagued by any misfortunes of climate, fire, flood or social and economic upheavals such as frequently befall peoples in other parts of the world. Compared with the peoples of many lands, Albertans, and indeed Canadians generally, have every right to be thankful. We do have some problems, it is true, but those problems are relatively small and well within our capacity to solve. I think, Mr. Speaker, it is not out of place at this time to pause and count our many blessings.

Alberta is now coming into its own as one of the richest provinces of Canada. Even today its vast riches are far beyond accurate estimation. The past year 1956 has been by far the most prosperous in our 51-year history. Retail trade was up 10 per cent over 1955. Capital construction planned for Alberta in 1956 was in the neighbourhood of $900 million. This was about 12 per cent of the capital construction planned for the whole country although Alberta has less than 7 per cent of the total population of Canada. Sales of new automobiles and trucks were up 16 per cent in volume and 30 per cent in dollar value over the previous record year, 1955.

Agriculture, still our basic industry in Alberta, is doing well too. The latest figures which I could obtain show that farm cash income is up about 14 per cent over 1955 although this figure is tempered somewhat by ever-rising farm costs.

Oil production was up not less than 30 per cent over 1955. Oil production in Alberta now averages well over 400,000 barrels a day with a potential of over 700,000 barrels a day if markets were available. Power consumption was up 19 per cent over 1955 and so it goes; during 1956, in every area of our economic life, old records tumbled. But Alberta's finest treasure is the quality of her people. They are increasing in numbers, too, although we have room for many more in our province. During the past 12 months the population of Alberta continued to increase and it is now over 1,100,000.

The population of the city of Edmonton proper according to official census figures reached 224,000 last June. This moves Edmonton up from eighth place to sixth place amongst the leading cities of Canada in the short space of five years and during the same period, Mr. Speaker, the population of the constituency of Edmonton-Strathcona increased from 56,000 to over 90,000 which is an increase of 60 per cent. I think that is probably a record.

Since the discovery of oil at Leduc near Edmonton in 1947 the industrialization of Alberta has been taking place very rapidly. During 1956 alone some $85 million was spent in establishing new industries in the Edmonton area. These new industries, mostly petro-chemical in nature, are attracted to Edmonton largely because of our supply of natural gas. This wonder fuel is not only inexpensive but it serves both as a source of energy and as a source of raw material for our manufacturers.

In 1951, five years ago, 10,500 persons were employed in the manufacturing industry in Edmonton and in 1956, 20,251 persons were so employed, an increase of 90 per cent in five years. Indications are that manufacturing will very soon become Alberta's major industry in terms of dollar value.

They used to say, Mr. Speaker, all the major companies operating in the oil fields and new industries in Edmonton located their head offices elsewhere. In 1956 that has been changed. Not less than ten large office buildings are under construction in Edmonton at the present time representing an investment of over $30 million.

I know my constituents and the people of Edmonton generally would want me to thank the Minister of Transport (Mr. Marler) for the progress he is making toward the construction of a fine new international airport in the constituency of Edmonton-Strathcona. The necessary site is being acquired and plans are being advanced so that actual construction will start in the coming spring. I can certainly sympathize with those people who have to move off their farms and out of their homes to make way for this new development. However, I am confident that the government will compensate them adequately and I think this is the best we can

do under the circumstances. I hope the minister will allow nothing to stand in the way of this project which is so badly needed if Edmonton is to continue to develop as the aerial crossroads of the world. I mention this not from a narrow local interest only but in the interests of air transportation for all of Canada.

I would also like to thank the Postmaster General (Mr. Lapointe) for the fine job he and his department have been doing to keep mail delivery up to par in such a fast growing area as the one I represent. I would also like to say, Mr. Speaker, that both in his capacity as Postmaster General and as Minister of Veterans Affairs this hon. gentleman has proven to be a most efficient administrator. He is always most attentive to all reasonable representations.

I would like to remind my colleagues from eastern Canada how much the people of Edmonton enjoyed the renewed meeting last November between our champion Edmonton Eskimos and the Montreal Alouettes in the annual Grey Cup classic. Out where I come from they are still calling Edmonton the home of the Grey Cup. This now famous annual event, I am sure, is contributing a great deal toward better understanding between all sections of the Canadian people both in the east and in the west.

(*Translation*):

Mr. Speaker, I was deeply touched by the confidence shown me by the Prime Minister when he invited me to move the address in reply to the speech from the throne. Unfortunately, I lack his command of the two official languages of our country. However, in order to thank him and to follow the example of this illustrious Canadian, I do wish to say a few words in French. I hope to show in this way my confidence in the development of Canada, firmly based on two of the richest cultures of human civilization. Here we are, less than two months after the short special session held in November, when the Prime Minister and his colleagues grew even greater in the esteem of the Canadian people and of peoples abroad as a result of policies which are sensible and at the same time compassionate towards less fortunate peoples, such as the unhappy Hungarian people. They have helped to preserve order and peace in the world.

By its recognized sincerity and its great desire for peace, the Canadian government commands respect in international circles. Here at home, the Canadian nation has reached a remarkable degree of national unity based on the mutual respect of its citizens. In addition, the government strives to promote a fair distribution among all Canadians of the fruits of the general prosperity enjoyed throughout Canada.

I am sure, Mr. Speaker, that the names of Canada and of its present political leaders will be recorded in history in terms that will honour all our grandchildren.

(*Text*):

I should like to turn now to matters a little farther afield but still of serious consequence for Canadians. I refer of course to the serious world situation which we have been facing in recent months. I wish I had the talent to express adequately my feeling toward our Prime Minister, the minister of external affairs and other ministers of the crown who have contributed so much to the pre-eminent position which Canada holds today in the council of nations. Certainly they have stood tall in the eyes of the world during the biggest and busiest year in Canada's history. It is fortunate indeed that this nation is endowed with such leadership during these unsettled times. The people of Canada will not soon forget the debt we owe them for their patience and vision and tireless efforts for peace and freedom and security throughout the world.

In her external relationships Canada has three principal avenues of approach. At one and the same time we are leading members of the great British commonwealth, of the North Atlantic Treaty Organization and of the United Nations. None of these several avenues of approach is in my opinion inconsistent or mutually exclusive. As a nation we endeavour to act on the strongest moral principles at all times. We believe that there cannot be several definitions of right and wrong according to the exigencies of immediate and pressing situations.

While we realize we must be prepared to use force to defend ourselves if need be, Canada stands firmly in the belief that ways must be found eventually to outlaw the use of force as an instrument of international policy. We believe that mankind has a conscience and we hope that sanctions under the moral law will one day replace brute force as the guiding rule of conduct among nations, as it now is amongst individuals. Unfortunately all individuals do not always conform to the moral law and to meet this situation we have police forces. Internationally speaking, we believe the same system should be followed. We believe that the moral force of world opinion, backed up by effective police action, is the best hope of mankind if large-scale wars are to be avoided. This is the basis of our policy in the difficult situation that prevails in the Middle East.

Canada's oldest and strongest ties are with the member nations of the British commonwealth in which we are playing an increasingly important part. Never in the history of the world has there been an organization comparable to the commonwealth for the promotion of peace, freedom, justice and mutual understanding among the diverse peoples of the world. Canadians have a tremendous loyalty to and abiding faith in the commonwealth. We rejoice that the head of the commonwealth is also Queen of Canada. We recall very clearly how the present Prime Minister of Great Britain referred to our own Prime Minister here in this chamber as "the wisest of counsellors and the most loyal of friends".

History very clearly relates how the commonwealth has evolved over the years. The commonwealth is very old in some ways, yet ever new in others. It has proven that it is capable of adapting itself to the needs of the times. It is the only international body in the history of mankind which has survived two major world conflicts and several minor ones. Surely the leaders of the British empire of a century or more ago would scarcely recognize the commonwealth of today. Former ideas of colonial rule, perhaps justifiable in their time and place, have given way to a commonwealth of nations that is the greatest force for enlightened democratic government that the world has ever known.

The Statute of Westminster of 1931 underlined the autonomy and independence of commonwealth nations under the crown. That famous enactment of the British parliament has been the inspiration for the promotion of self-government and freedom all over the globe. In this day and age we are all familiar with the brilliant array of new commonwealth partners that have developed or are developing at the present time their own particular institutions of self-government under the guiding hand of the mother of parliaments at Westminster. This in itself is powerful testimony to the integrity of British leadership in world affairs.

There is nothing in our commonwealth relationship which compels any member to remain within the family against its own wishes. That is precisely as it should be. There is no loyalty so strong as that solidly based on freedom of will. Accordingly, to preserve, to keep intact and to promote further commonwealth growth and understanding should be the endless aim of each and every component member. That, I am confident, is the aim and object of Her Majesty's government of Great Britain. That, I am equally confident, is the aim and object of Her Majesty's government of Canada. In our view the commonwealth must be preserved, all of it. None of it is expendable. All of it is well worth while.

I do not wish to suggest for one moment that there cannot be differences of opinion between members of the commonwealth from time to time. Because of the voluntary nature of our association that is only natural. But when differences do occur they are the differences that one normally expects between members of the same family or between friend and friend. Let no one erroneously suppose that these diverse opinions are signs of weakness or of disunity. Quite the contrary. Diversity is in fact one of the main sources of the strength of the commonwealth family. Like the mortar in a brick wall it separates the various units and at the same time binds them securely together. A brick wall without mortar is weak indeed. On more than one occasion in the past the enemies of our sovereign have learned not to underestimate the inherent strength of the commonwealth's invisible ties.

We in Canada are proud of the fact that numerically speaking the greater part of the commonwealth embraces nations in Asia and in Africa which recently have achieved or, speaking of Africa in particular, are about to achieve full and complete self-government. We are happy that these peoples share our common heritage of free institutions and we are anxious to assist them to develop their material resources. We are thankful for the bridgehead of mutual trust and understanding that the commonwealth ties maintain between them and us. We hope they will all remain in the commonwealth. Certainly we in Canada will be the last to forsake our common heritage. Nor do we cling to this common heritage for material gain, but rather for a better understanding amongst all peoples everywhere.

We welcome the recent visit of the Prime Minister of India to our nation's capital. We recall with affection the most cordial reception our own Prime Minister was given when he visited the nations of Asia in 1954. We congratulate the Minister of National Health and Welfare (Mr. Martin) on his globe-girdling tour of commonwealth countries. As a result of such visits of good will and understanding, there is growing today a stronger, better commonwealth than we have known before.

I must confess, Mr. Speaker, that I am one of those people who upon occasion have speculated on the possibility of expanding the commonwealth to include freedom loving nations of good will who are not now members. I am happy indeed to recall that from time to time such hopeful speculation has

been indulged in by a good many other people. All of us remember, I am sure, that during the darkest days of world war II the great Sir Winston Churchill proposed what was in effect an outright amalgamation of the British and French empires. Unfortunately, such a bold and imaginative development was not to be. However, had it taken place I am sure this grand union, or should I say reunion, of the British and French peoples would have been worked out along lines similar to those which were used so effectively in building the great Dominion of Canada.

But if it is not practicable at this time to bring new members into the commonwealth from outside, I am proud that Canada has played such an important part in promoting international good will by other means. I refer, of course, to another avenue of our external relations, namely, the North Atlantic Treaty Organization. Here we have banded together some 14 freedom loving nations not only for mutual defence but also for the promotion of better social, cultural and economic ties. We have unstinting confidence in the present and ultimate success of NATO. Here is another vast area of mankind in which we believe war to be unthinkable as a solution to mutual problems.

In the still wider field of the United Nations itself Canada has earned for herself an enviable reputation for promoting the highest ideals of mankind. We follow this course because as a people we are deeply and genuinely concerned about the future peace and prosperity of the whole world. Unfortunately, in this larger sphere we are not yet sure that war is impossible but we will never stop trying to make it so.

It has become fashionable, Mr. Speaker, for some people, some pessimists, to speculate upon what they regard as the impracticability of our cordial relations with the United States upon the one hand and the members of the British commonwealth on the other. Such sceptics completely overlook the fact that one of the greatest single factors in world affairs today is the now traditional basic friendship and understanding that exists among the great English speaking peoples of the world. Certainly there are differences among us but they are superficial only. The things that unite us are far stronger than those that divide us. I for one hope and believe that this happy state of affairs will soon be spread all over the face of the earth. That is the essence of the international outlook of this Liberal government. We believe that our friends, the people of the United States, appreciate fully what the commonwealth means to the peace and security of the world. For our part, we will never cease trying until the spirit of mutual trust so evident amongst the commonwealth partners thoroughly permeates the whole United Nations.

We are happy, Mr. Speaker, that the speech from the throne asks parliament to approve a measure to set up a Canada council for the arts, humanities and social sciences. Important also is the suggested aid to our hard-pressed universities. This financial assistance, if approved by parliament, will be extended in two ways, namely, grants for capital expenditures and annual grants for current operations.

The other day I happened to see the breakdown of the finances of the University of Alberta in Edmonton for the current fiscal year. It shows a provincial grant for operation of $2,167,000, a federal grant for operation of $545,000, and students' fees amounting to $900,000. Under the proposal in the speech from the throne the federal grant will be about $1,100,000. This amount will be 26 per cent of the university's annual operating budget whereas students' fees will be about 21 per cent. I mention these figures because many people are under the impression that very little is being done by our senior governments for higher education.

The increased grants to the provinces for the encouragement of technical and vocational training will also help to meet a very real need in our country's development.

The proposal to set up a committee in the other place to consider ways and means of assisting agriculture further will be welcomed by all the people of Canada. I am sure this is a matter which will have everyone's wholehearted support. More of our people are engaged in agriculture than in any other single business. Yet their standard of living is hardly up to par with that of those who spend their energies in industrial pursuits.

In many cases the reason is that these people are operating what is generally called submarginal land. Their farms simply will not yield a decent standard of living in return for the effort expended. It is suggested that we take some of these farms out of active agricultural production and return them to some use more in keeping with their productive capacity. This will conserve not only the land itself but also the labour being expended on it without satisfactory results. Most of this land is not really submarginal at all but submarginal only in its present use. Its yield may be quite considerable in some other use. I am sure we will all await the findings of this committee with interest.

During the latter part of 1956 this country experienced a definite upswing in immigration. With the tremendous growth of our national economy, Canada can use a great many more people. It is encouraging to hear of so many people planning to come here from the British Isles. I for one feel sure that they will not be disappointed with what Canada has to offer them.

This parliament and the people of Canada have demonstrated beyond any shadow of doubt their welcome for the unfortunate refugees from tyranny in Hungary. I am sure these people will quickly find remunerative positions here within the framework of our national economy. While we rejoice in their coming here, I am sure we all deeply regret the conditions which have caused them to flee for their lives from their native land.

In this connection I feel I should not overlook a word of commendation and praise for the Minister of Citizenship and Immigration (Mr. Pickersgill) who acted so swiftly to give his personal attention to the movement of Hungarian refugees to Canada. I have met no one who is not filled with admiration for his decision to go to Austria to make sure that everything humanly possible was being done by his department for the relief of distress and suffering.

I am sure that everyone here, Mr. Speaker, regrets as much as I do the unfortunate industrial dispute which has led to the stoppage of work on the whole Canadian Pacific railway system. This stoppage is having very serious implications for the whole nation. In the interests of Canada I hope that the parties to the dispute will soon agree to come together to effect a settlement. The present situation is hurting many innocent people and it will have to be settled some time. In the name of reason I hope we can have a settlement now before any more damage is done. I am sure that the good offices of the federal Department of Labour are always available to the parties concerned.

Those responsible for municipal government in our country will, I am sure, be most happy that their representations for the payment of taxes by the federal government on federal property have not gone unheeded. This will assist them materially to carry out the numerous obligations which our orderly development as a nation is placing upon their shoulders. This is also a matter which I and other government supporters in the house have raised from time to time and I cannot help noting that it is good to see that attention is being given to these matters, for it belies the contention of some uninformed individuals to the effect that the views of backbenchers on issues of the day are usually of no avail.

As representatives of the people of Canada, we are thankful for what the contents of the speech from the throne will mean to our country.

Seconded by the hon. member for Gloucester (Mr. Robichaud) I have the honour to move:

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

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

May it please Your Excellency:

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

(Translation):

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, when I was asked by the right hon. Prime Minister (Mr. St. Laurent) whether I would accept to second the address in reply to the speech from the throne, I was deeply moved by the invitation, and I accepted it in all humility. I wish to offer my sincere thanks to the Prime Minister and to the members of his cabinet for this honour which I accept not only in my personal name but above all in the name of the electors of my constituency of Gloucester and more particularly in the name of the racial group which I have the privilege of representing in this house.

I also wish to join with my colleague, the hon. member for Edmonton-Strathcona (Mr. Hanna), in expressing to you, Mr. Speaker, as well as to every member of this house, my best wishes for a good, happy, prosperous and holy new year.

(Text):

Mr. Speaker, I want to be the first one to extend to my colleague the hon. member for Edmonton-Strathcona (Mr. Hanna), who had the honour of moving this address, my heartiest congratulations on his splendid presentation. I was deeply moved by his noble gesture in addressing a few remarks in the French language, the other official language of this country. This is another tribute to this Canadian unity which today is prevailing throughout this Canada of ours under the leadership of our present Prime Minister (Mr. St. Laurent). All members of this house, I am confident, are being impressed by the necessity for Canadians, regardless of our religious beliefs or racial origins, to work closely together, in harmony and mutual understanding, for the welfare of the whole population of our beloved country.

May I also pause for one moment to offer at this time my most sincere and hearty congratulations to the new leader of Her Majesty's official opposition, the hon. member for Prince Albert (Mr. Diefenbaker). His

years of experience and his reputation as an outstanding lawyer and parliamentarian have assured him of this confidence and the highly responsible honour tendered him by his party supporters.

(*Translation*):

The 60,000-odd citizens of Gloucester constituency, of whom 85 per cent are the descendants of those who lived in the Acadia of 1755, have made a very important contribution to the economic and cultural growth of our country. They are also among the first to understand the necessity of national unity in the pursuit of our common goal. After their deportation, the Acadian people were in a very precarious situation. But, through their indomitable courage and their will to survive, they gradually recovered and overcame many obstacles before becoming an important element in the life of our nation. Their gradual settlement in northern New Brunswick and along the coast of Gloucester can perhaps be explained by their love of the sea and the forest, and an irresistible urge to settle close to the ocean.

I do not intend to take undue advantage of the few minutes at my disposal to relate the history of my constituency. As most of the population is rural, a great many of my people are interested in the fishing industry, and a sizeable proportion of them practise the noble occupation of farmer. During the last ten years, the fishing industry, which is predominant along the 200 miles or so of coastal areas in Gloucester, has known a development and an expansion comparable with the transformations which have taken place in every section of this country. Our modern fishing fleet compares favourably with any other on the Atlantic coast. The federal departments of fisheries and public works have widely co-operated with provincial authorities in making possible these changes in the fishing industry in my constituency.

As we enumerate the important milestones in the evolution of this country and in the economic expansion of the last few years, we must take note of the mineral developments in the Bathurst district. The discovery of zinc, lead and copper ore must rank foremost among the major mining discoveries of the year 1953. We may infer from it an economic expansion unprecedented in the history of our province. Bathurst, a little town of 5,000 people, has been mainly known so far for its pulp and paper mill, its lumber industries, its mechanical parts plant, etc. This little town, which up to now had been perfectly calm, has now become a centre of great activity and undergone changes which in the near future may well go beyond the most optimistic hopes. It is true that a large number of the people in my constituency and even in the province of New Brunswick as a whole are uncertain and doubtful about these developments, which they find somewhat too slow and possibly not spectacular enough. I would like to reassure them and to inspire them with my own confidence. A new public building will be built this year in Bathurst. Moreover, a deep water port will soon be established there from which minerals and other products of the area may be shipped, almost the year round. The mining companies will continue to expand and we are assured of the fullest co-operation of the federal authorities in each and every area which is of concern to them.

These mines will bring additional revenue to our province and contribute to the economic expansion of this country. We in New Brunswick are only beginning this mining expansion whose value in 1956 reached the almost fabulous amount of over two billion dollars, representing twice the production of 1950. Through the co-operation of the department of mines and technical surveys, we were assured of an excellent service which made this development possible particularly in New Brunswick. There is no longer any doubt that the marked and sensational development of the Bathurst area will gradually extend to other areas of my constituency and of the province.

New jobs will be available for thousands of people and, with the contemplated increase in population, new outlets will be created for our agricultural and fish products.

Mr. Speaker, I do not want to overtax the patience of this house and, without further ado, I shall deal with some of the main points of the speech that was just read to us in the senate by His Excellency the Governor General.

At the beginning of this new year, there is no doubt that we are going through one of the most critical periods of our history. As stated in the speech from the throne, the instability of the situation in the Middle East, the disastrous effects of the persecution of the unfortunate Hungarian people should make us think more seriously and bring each and every one of us, whatever our political affiliation, to a sense of responsibility, that will guide us in our deliberations, and to a greater appreciation of the freedom of speech and action guaranteed to us by the constitution of our country.

It was with pride, was it not, and not without some glory, that the great majority of the Canadian people approved the stand taken by our representatives at the United Nations.

Has not Canada, despite the opinion expressed by some political antagonists, been an important factor of solidarity in the common-

wealth as has been so clearly indicated, once again, by our representatives at the last session of the United Nations assembly? Has not Canada, as a free country under the clever and wise leadership of our Secretary of State for External Affairs (Mr. Pearson), contributed, perhaps more than any other country to the achievement of the noble goals dictated by the charter of the United Nations? Its objective will insure us as well as mankind as a whole, that useful measures will be taken to lead us towards that era of peace which we are all so much longing for.

Has not Mr. Nehru, prime minister of India, while in Ottawa, declared to a press conference that Canada, in recent conflicts, has been playing a part of paramount importance and has rendered a valuable service by establishing links between the countries of Asia, Europe and America which are all experiencing a strong economic development? That part played by Canada must undoubtedly be put down to the credit of our Prime Minister, of his government and of our energetic and untiring Secretary of State for External Affairs. The goodwill tour of our Minister of National Health and Welfare (Mr. Martin), which will be completed in a few days, after a visit to Pakistan and other countries which receive assistance under the Colombo Plan, is another obvious and glaring proof of our foreign policy aimed at insuring throughout the world a lasting peace based on Christian charity. The main purpose of that visit was to convey to the Asiatic populations in the name of the people and the government of Canada a message of friendship and goodwill. In every country he visited our ambassador of goodwill met an attitude of respect and friendship for the Canadian people. Our representatives, our engineers and experts in the fields of medicine, public health and education who have been sent to those countries have largely contributed to the betterment of conditions there and of the way of life of those peoples.

The speech from the throne recommends the introduction, at this session, of legislation designed to set up a Senate committee on agriculture. We, from the eastern provinces, consider this approach on the part of the government as a very promising one for the future. There is no doubt that a gradual recession of farm income would endanger the continued strength of our general economy. We do not doubt that the changes and developments which have taken place in agriculture these last few years will be a prominent factor in the progress of our nation's industrial growth. The changes occurring both in domestic and in foreign markets basically require an entirely novel adjustment calling for a revision of measures applied so far with regard to consumption as well as to production. However, we cannot ignore the fact that, during the past year, farm incomes have reached a record figure in our history.

We hope that this committee, whose object will be to contribute effectively to increasing agricultural production and the income of agricultural workers, will take advantage of the opportunity to make a thorough study of the particular position and conditions of the eastern provinces. Our farmers, our New Brunswick agriculturists and especially those of the northernmost districts, recognize that they can no longer make any progress or even make a living unless they are given substantial financial aid so that they may improve or adapt their methods in accordance with the development and modern trends of other industries. They believe, and rightly so, that the regulations, or the interpretation of the Canadian Farm Loan Act do not enable them to obtain the share of loans to which they are entitled. Let us hope that the committee proposed under this new legislation will use its authority and prerogatives to make a thorough study of this problem, one of unequalled importance to the effective development of agriculture in our section of the country.

The whole Canadian people has been pleased to hear the declaration of our Prime Minister on November 12 last, in the speech he made at the national conference on secondary education. The establishment of a Canadian council for the encouragement of the Arts, Humanities and Social Sciences, as was put forward in the speech from the throne, and in accordance with the recommendations of the report of the Massey Commission, will encourage and help voluntary organizations concerned with arts, humanities and social sciences, and will foster our cultural relations with foreign countries. Again, in accordance with this report, it is the intention of the government to introduce a measure designed to vest this council of the arts with another important function. I think that the voting by this house, or rather this parliament, of an additional credit of $50 million which would be entrusted to the council and distributed over a ten-year period, will help meet that urgent need for capital expenditure which is facing our Canadian universities.

Thanks to private enterprise and a proper national policy, our economic prosperity stands at a record level. The Canadian government realizes that our cultural development must go hand in hand with our economic development. It is the duty of the state to help financially, but without

controlling it of course, that private enterprise which looks after the development of our national culture.

With the great majority of our Canadian universities, I am glad of the government's decision to recommend to parliament, at this session, that the annual federal grants to the universities be doubled. Coming as I do from an English province and being of the French minority, I realize that such a frank and courageous decision on the part of our government will have important repercussions on the future of our youth and on the development of our national life.

We find, in my constituency, the University of the Sacred Heart, under the direction of the Eudist fathers. No one will ever be able to assess what Acadia, what New Brunswick, and what my constituency of Gloucester owe to these educators who, for more than half a century, have devoted their lives and energies to our young people, without asking anything in return. We recognize that the rapid growth of our country requires a similar development of our universities and we approve without any reservation the financial participation of the state as long as the federal government does not intend to interfere in the field of education, which belongs to the exclusive jurisdiction of the provinces, and as long as the central government does not threaten the freedom of our universities.

Our institutions of higher learning, such as the Sacred Heart university which I mentioned a moment ago, need the financial help of the government to continue to dispense to our young people the knowledge which will prepare them to take charge of the development of the natural resources of our country.

As long as the federal subsidies to universities continue to be paid unconditionally, as long as the central government makes no attempt to intervene in the administration or the management of these universities, we who are from provinces with French-speaking minorities will rejoice in this financial assistance which constitutes another means of safeguarding our cultural autonomy. Along with our Prime Minister, we are convinced that these proposals will help fill a gap in the national life of this country and help solve the critical difficulties now being felt by Canadian institutions of higher learning.

Our government is not content to increase this help given to our institutions of higher learning. It recognizes the increased demands brought about by our national evolution. It therefore proposes to revise once more and to increase subsidies and subventions to provincial governments to assist them in providing technical and vocational training for our young people. May I point out one of the problems facing our municipalities, the seriousness of which is constantly increasing from year to year. In my constituency of Gloucester, for instance, the population of 60,000 inhabitants has to provide primary education to some 15,000 children. The high cost of building and maintaining our schools, as well as teachers' salaries require direct taxation, far beyond the taxpayers' ability to pay. It must be recognized however that this matter is exclusively of provincial jurisdiction and that it would not be logical to ask federal authorities to intervene in the settlement of our problems of primary and secondary education. This should be dealt with exclusively by our provincial legislatures, and it is up to the municipalities to insist upon the distribution by the provincial governments of a larger share of the subsidies granted the provinces by the federal government under the federal-provincial tax agreements.

We shall also be called upon to deal with some amendments to the federal program of subsidies to municipalities. We hope that the study of the suggested amendments will help us to lighten the already too heavy burden borne by municipalities in providing the additional services made necessary by our economic expansion and our growing population.

(Text):

Before resuming my seat I want to say a word about the royal commission on Canada's economic prospects. We have confidence that the report of the Gordon commission, which is expected to be made public within the next few days, will deal—in a most encouraging manner, we hope—with problems affecting the provinces of the Atlantic coast. The day has come when we of the maritime provinces must desist from this attitude of utter discouragement which has been so prevalent amongst ourselves for the last two or three decades. Let us do away with the expression of depressed or "have not" provinces for which we ourselves, residents of the maritimes, may have been responsible and had to bear the consequences. We realize that the maritime provinces may not have shared equally in the general economic upswing which has been maintained so vigorously throughout the last few years. We feel that our geographical position is creating transportation problems, but we are confident that these problems can be solved. We have faith in the future of our country and faith in the future of our own maritime provinces.

Our new attitude of self-reliance must be a realistic indication of our determination to share in this period of unequaled prosperity

in Canadian history. New industries have sprung up in the maritime provinces, new pulp and paper mills have come into being, power generation is increasing gradually, and New Brunswick's lead, zinc, copper and manganese developments have given our province new industrial importance. We will be waiting with great interest for this report of the Gordon commission. We feel confident that proper consideration has been given to our difficulties in the field of transportation, and in the supplying of electrical energy.

We regard as a move in the right direction the recent decision of the board of transport commissioners which has resulted in a saving of $100,000 annually for our New Brunswick potato farmers. We approve of the recent announcement of the Canadian government travel bureau to increase by $300,000 its annual contribution for the promotion of the tourist industry in the maritime provinces where the charm of our ports, our salmon rivers, our valleys, our long coast line and historic woodland highways and our moderate climate is attracting thousands of tourists annually to spend some $50 million a year.

We support the renewal of an agreement between the Canadian government, the province of New Brunswick and private industry to carry on with the spraying program to protect our forests against the disastrous destruction by budworms. In this particular field we sincerely hope that the Canadian government will recognize the importance of our forests to our general economy and, in view of the wide scope of this program, increase substantially the federal contribution which to date has reached a total of over $2 million.

We most welcome the latest revision of the Unemployment Insurance Act regulations which provides for the inclusion of commercial fishermen in unemployment insurance benefits. The application of this new measure could easily mean an additional $200,000 annually for the fishermen of Gloucester county.

(Translation):

Mr. Speaker, in formally seconding the resolution moved by the hon. member for Edmonton-Strathcona, I should also like to pay tribute to the right hon. Prime Minister.

At this time, and in this critical period of our history, the Canadian people are thankful to Divine Providence for the fact that they have as a leader a man whose wisdom and foresight are also greatly admired abroad. He knows how to apply to national affairs those same Christian principles which he has adopted with regard to his own life, and his policy is based on his determination to preserve Canadian unity while securing for each and everyone the material and cultural security which is essential to our national unity.

(Text):

On motion of Mr. Diefenbaker the debate was adjourned.

LIBRARY OF PARLIAMENT

Report of the parliamentary librarian.—Mr. Speaker.

On motion of Mr. St. Laurent (Quebec East) the house adjourned at 4.52 p.m.

APPENDIX

The
UNVEILING OF THE STATUE OF
SIR ROBERT BORDEN
on
Tuesday, January 8, 1957

Speeches of the Right Hon. L. S. St. Laurent, Hon. Wishart McL. Robertson, Speaker of the Senate, Hon. L. René Beaudoin, Speaker of the House of Commons, Mr. Henry Borden, Mr. J. G. Diefenbaker, Mr. M. J. Coldwell and Mr. Solon E. Low.

Hon. Wishart McL. Robertson (Speaker of the Senate): Ladies and gentlemen, "O Canada".

(Whereupon the gathering sang *O Canada.*)

Mr. Prime Minister, Mr. Chief Justice, Mr. Speaker of the House of Commons, ladies and gentlemen: We are assembled here to do honour to the memory of a great Canadian, the Right Honourable Sir Robert Borden, a former prime minister of Canada. We, and the unseen audience, through the magic of television, have just witnessed the unveiling of the statue to his memory, located on a site just west of the west block on parliament hill. For seasonal reasons the continuing ceremonies are being held in the Hall of Honour of the centre block.

Seated on the platform in addition to the co-chairman, the Honourable L. René Beaudoin, Speaker of the House of Commons, are:

Right Honourable L. S. St. Laurent,
Prime Minister of Canada
Honourable Patrick Kerwin,
Chief Justice of Canada
Mr. Henry Borden
Honourable W. Ross Macdonald,
Government Leader in the Senate
Mr. John Diefenbaker,
Leader of the Opposition
Mrs. Henry Borden
Honourable T. A. Crerar
Honourable George Drew
Honourable J. T. Haig,
Leader of the Opposition in the Senate
Mr. John Bracken
Mr. M. J. Coldwell,
Leader of the C.C.F. party
Mr. Solon Low,
Leader of the Social Credit party.

The Right Honourable Arthur Meighen, the Honourable Esioff L. Patenaude and the Honourable Albert A. Sevigny were invited to attend but expressed their regrets. They, with Senator Crerar, are the only surviving members of Sir Robert's government.

Ladies and gentlemen, the Speaker of the House of Commons.

(*Translation*):

Hon. L. René Beaudoin (Speaker of the House of Commons): Mr. Prime Minister, Honourable Chief Justice of the Supreme Court, ladies and gentlemen, we are gathered here this afternoon to honour the memory of a Canadian who was prime minister of our country and who, in the course of a long and remarkable political career, has rendered outstanding services: Sir Robert Laird Borden.

A few moments ago, in the presence of the present Right Honourable Prime Minister, and of the Leader of the Opposition, Mr. Henry Borden, Q.C., a nephew of Sir Robert Borden, unveiled a monument erected on parliament hill to remind future generations of our past glories and of the debt of gratitude which we owe to the builders of this nation.

We are therefore witnessing one of those great parliamentary occasions. The leaders of all parties unite in paying a nation's tribute to Sir Robert Laird Borden.

(*Text*):

Hon. Wishart McL. Robertson (Speaker of the Senate):

Ladies and gentlemen, I have the honour to present the Prime Minister of Canada.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Co-chairmen, Mr. Chief Justice, Mr. Borden, ladies and gentlemen: Just before we begin the heavy schedule of another session of parliament, it is fitting that we should pause to pay tribute to one of the great figures in Canadian history, Sir Robert Borden.

I wish to congratulate Miss Frances Loring on the striking likeness and the excellent workmanship of the statue which Mr. Henry Borden unveiled a few minutes ago. She has expressed for the permanent records of our nation in a fashion more eloquent than words many of the fine characteristics of that distinguished statesman.

Statue of Sir Robert Borden

The Right Honourable Sir Robert Borden was born over one hundred years ago in the small rural community of Grand Pré, Nova Scotia, the native province of three of Canada's prime ministers. He is remembered particularly by us as Canada's prime minister during the first world war.

Much has been written about Canada's role in the first world war and no doubt much will be written in the future. This was one of the most critical periods of Canadian history. Much progress has been made since confederation in the development of a strong and united nation, but the national fabric has never faced such a severe test and none could tell if it could withstand the strains imposed upon it.

Canadians were fortunate in those trying years to have as their leader a man of unquestionable integrity, a high sense of duty, a thoroughly trained mind and an exceptional capacity for unremitting hard work. Whatever opinions might be advanced on the policies which he pursued, his personal qualities and particularly his honesty and sincerity of purpose in seeking to serve his country well were outstanding.

Under Sir Robert Borden's leadership Canada made a contribution to the first world war which won the praise and admiration of her allies. In addition to his leadership at home, Sir Robert played an active role in the imperial war cabinet in London. He strove throughout the war to ensure that Canada should have a voice in the formulation of allied policy rather than limit her role to supplying men and material. With a wide and statesmanlike view of this country's capacities and her future, he sought to encourage his fellow citizens to accept their new and inevitable responsibilities.

In 1919 Sir Robert Borden was our chief plenipotentiary delegate at the peace conference in Paris, and in 1920 he signed the treaty of Versailles as the representative of Canada on terms of equality with the representatives of the other allied nations. In the same year Canada was admitted as an original member of the league of nations.

Another of Sir Robert's accomplishments at about the same time was to secure for Canada the right to have a minister plenipotentiary in Washington accredited by the King and appointed on the advice of the Canadian cabinet. Such an appointment, however, was only made several years later. Sir Robert also suggested at the imperial war conference of 1918 that Canada should decide its own constitutional questions. This, as you know, was accomplished in the last few years.

In his book, "Canada in the Commonwealth", published after his retirement, he welcomed the definition of the relations of Great Britain and the dominion contained in the Balfour report as "autonomous communities within the British empire, equal in status, in no way subordinate one to another in any respect of their domestic or external affairs, though united by a common allegiance to the crown and freely associated as members of the British commonwealth of nations."

"The dominions having sought and gained the status of nationhood", Sir Robert wrote, "they cannot recede from assumption of its responsibilities." And in the last lines of his book Sir Robert Borden expressed his hope that this freedom within the unity of the commonwealth was "an earnest of what may yet be accomplished in an ever wider sphere. The league of the commonwealth may serve as an exemplar to the league of nations."

(*Translation*):

Sir Robert devoted himself to his work with such energy that even his own vast physical resources proved unequal to the task. He was obliged to retire in 1920. Fortunately, he soon recovered his good health, a fact which enabled him to continue his active life for a number of years afterwards. I had the pleasure of hearing him in 1929 when he spoke before the Canadian Bar Association in Quebec city. I well remember him and the words he spoke on that occasion. During the war it was believed in certain quarters that he did not understand those Canadians belonging to the French-speaking group, and that he had no real sympathy for them. It is perhaps for that reason that he availed himself of that opportunity to speak of the very origin of Canadian history in the heart of the province of Quebec, in that city which he called the "founding city" of Canada. When he had finished speaking, he had removed any doubts we may have had about his real sympathy for French-speaking Canadians. May I be allowed to quote the last sentences of his speech:

(*Text*):

On the whole there has been an honourable and wholesome co-operation of the two races in the upbuilding of Canadian institutions and in the development of the heritage with which Providence has endowed the Canadian nation. The pioneer races are and they always will be distinctive but in their origins they are much nearer to each other than either seems to imagine. It is desirable to emphasize their points of sympathy and contact rather than their divergences of temperament and outlook.

(*Translation*):

Those words were spoken by Sir Robert Borden more than a quarter of a century ago. Since then, our policy, both internal and external, has undergone great changes. Perhaps he would not approve of them all. I am sure however that he would agree with us that we have gone a long way on the road to national maturity and unity.

(*Text*):

In the years since his death we have learned to have a more accurate and a deeper appreciation of a great Canadian statesman. And I am sure that all Canadians who gaze upon the statue which has been unveiled today will recall with respect his sincerity of purpose and his selfless devotion to his country.

One of Sir Robert's oldest friends and perhaps his closest collaborator, who had hoped to be here on this occasion but who is prevented by illness from being present, has written me the following letter:

360 Bay Street, Toronto
January 3, 1957

My dear Mr. Prime Minister:

I feel grateful for your invitation to be present at the coming Sir Robert Borden memorial event (January 8) but am resolutely forbidden to leave the house by my doctor. I have, therefore, prepared a very short statement of acknowledgement and regret. This I hope you will read to the assembled people.

There has been nothing in the past that I had to shrink from which I regretted like I do this failure to take my part.

I sincerely appreciate the invitation and am grateful to you personally.

Sincerely yours,
Arthur Meighen.

This is the statement enclosed with Mr. Meighen's letter:

It is with extreme remorse that I find myself ill and quite unable to attend the proceedings on parliament hill which are to do honor to Sir Robert Borden.

In his lifetime, Sir Robert Borden had friends unnumbered in all parts of Canada, but none, I sincerely submit, more devoted and tireless than myself and this relationship continued until the hour of his death.

To have survived until this event takes place will add much to my feelings of gratitude and satisfaction, and one cannot be wrong in indulging an inward assurance that the waves of goodwill generated here, the richer sense of unity and common purpose inspired, the pride we all have in those who have toiled nobly and passed on, that all these flaming truths will keep us resolutely on our course.

Arthur Meighen.

Hon. Wishart McL. Robertson (Speaker of the Senate): Ladies and gentlemen, may I present Mr. Henry Borden, nephew of Sir Robert Borden and one of the most outstanding Canadian figures in the business and professional life of Canada.

Mr. Henry Borden, Q.C.: Mr. Chairman, Mr. Speaker of the Senate, Mr. Speaker of the House of Commons, Mr. Prime Minister, Mr. Chief Justice, distinguished guests, ladies and gentlemen: This is indeed an historic occasion and I wish, Mr. Prime Minister, to thank you sincerely for doing me the great honour and giving me the unforgettable privilege of unveiling this statue of Sir Robert Borden. I have no hesitation in saying that I dearly loved Sir Robert and my life has been enriched by the deep affection and kindliness which he bestowed on me.

The statue, in the design and completion of which you, sir, have taken such a genuine personal interest, will serve to keep fresh in the minds of future generations the memory of a distinguished Canadian statesman, of whom you have just spoken in such complimentary terms.

On behalf of Sir Robert's relatives and friends I wish to join in the Prime Minister's congratulations to Miss Loring, and to thank you, Mr. Prime Minister, and through you the citizens of Canada, for causing this wonderful memorial to be created on parliament hill. Thank you very much indeed.

Hon. L. René Beaudoin (Speaker of the House of Commons): Ladies and gentlemen, the honourable the Leader of the Opposition, Mr. John Diefenbaker, Q.C., M.P., will now speak.

Mr. J. G. Diefenbaker, Q.C.: Joint chairmen, Mr. Prime Minister, distinguished guests, ladies and gentlemen: First, I want to join with Mr. Borden in thanking the Prime Minister for the generous terms in which he referred to the service to Canada of Sir Robert Borden. This is in keeping with the traditions of our public service. While we may disagree in matters of policy each of us must, under our democratic system, realize that it is only in a community of counsel that the best for Canada will be achieved.

I think it is most fitting that we, on this occasion, honour one of Canada's greatest statesmen. As I listened to the Prime Minister review the constitutional development of this country I thought it was a magnificent tribute from one constitutional lawyer, regarding the constitutional development of this country, in giving approval to the contribution made by another. After all, there is that bond of union amongst members of the legal profession wherein the greatness of a contribution is at all times recognized by one's fellows. It is of interest to know, too, that out of the eleven prime ministers of Canada, seven were members of the legal profession, all making their contribution toward the building of this country into the ideal of us all.

Mention was made of the reaction to the attitude of Sir Robert Borden and the stand

Statue of Sir Robert Borden

he took at the peace conference. It was he who insisted, following the sacrifices of the war, that Canada be recognized as an autonomous nation within the family of British nations, and insisted on the right to sign the treaty of Versailles and join as a signatory of the league of nations pact whereby Canada adopted responsibilities that heretofore had not been regarded as a necessary incident of our membership in the commonwealth.

After all, we judge men and women first on the basis of those who served with them. This morning I found a quotation in Lloyd George's memoirs which sets forth the attitude that was taken by Lloyd George to this man who has been honoured today in the unveiling of this statue. Lloyd George said of him this:

> Canada was represented (at the imperial conference of 1917) by Sir Robert Borden who was the very quintessence of common sense. Always calm, well balanced, a man of co-operating temper, invariably subordinating self to the common cause, he was a sagacious and helpful counsellor, never forgetting that his first duty was to the people of the great dominion he represented, but also realizing that an insistent and obstructive particularism would destroy any hope of achieving success in the common task.

While it was Sir John A. Macdonald and Sir George Etienne Cartier who joined together the two great races and founded Canada, and who had still a greater contribution to make in the years to follow, it was Sir Robert Borden and those who served with him who were able to achieve that unity and that international status which many had dreamed of 50 years before. It was only achieved in the light of the sacrifices of the war.

We recognize, too, as you said, Mr. Prime Minister, the contribution of the two races to this country. With parliament opening today it is well to remember that in 1921 Sir Robert Borden, on the occasion of the gift of the Speaker's chair from Westminster to the House of Commons, said this:

> The parliamentary institutions which we hold as of right and not of grace were won by a common ancestry and through gradual evolution and development during the past five or six centuries. The man who summoned the first gathering that might be regarded as the forerunner of the commons house of parliament of Great Britain as that of Canada was a Frenchman, born in France. Thus we can look back with satisfaction upon the fact that Saxon and Norman five or six hundred years ago stood side by side in the assertion of liberties that are ours today.

I think on this occasion it is well to recall those words, as this monument has been unveiled. I think all of us will agree that his monument will be tangible evidence of his statesmanship; his living monument the establishment of the principle of equality among the free nations within the commonwealth and empire as he saw it, and his contribution to fashioning for Canada that role which she is playing so magnificently today. Of him it may indeed be said that "he builded better than he knew."

Hon. L. René Beaudoin (Speaker of the House of Commons): Ladies and gentlemen, the honourable the leader of the C.C.F. party, Mr. M. J. Coldwell, will now speak.

Mr. M. J. Coldwell: Mr. Prime Minister, Mr. Chief Justice, distinguished guests, ladies and gentlemen: I think it is fitting that we have gathered here today to honour the memory of a great Canadian. There are times in the lives of nations when it is well to look back and remember famous men. Sir Robert Borden was a famous and a great man. As we have heard today he was one of the architects, indeed in many respects the principal architect, of the place which Canada now has in the world of today.

Sir Robert Borden, at Versailles, insisted on the recognition of Canada as a nation. Sir Robert Borden was, in that respect, one of those who placed the British commonwealth in its new phase. His services to this country and to the commonwealth deserve the recognition that has been given to him today. I am very happy indeed that I am one of those who, though not sharing the fundamental principles of the party he represented, can speak on behalf of those who, while disagreeing with him in some of his policies, none the less recognize fully that in his day and in his generation he played a great part in leading this country through difficult times and in laying the foundations of the Canada which we know today.

I am very happy indeed to have had this opportunity of being present and participating in this great event.

Hon. L. René Beaudoin (Speaker of the House of Commons): Ladies and gentlemen, the honourable the leader of the Social Credit party, Mr. Solon Low, will now speak to you.

Mr. Solon E. Low: Messrs. Co-chairmen, Mr. Prime Minister, distinguished guests, ladies and gentlemen: I feel greatly honoured to have this privilege of participating in an event which was designed to enable us to pay tribute to a great Canadian statesman. I shall not multiply words nor repeat the things that have already been said, though I am convinced that some of them might be worthy of repetition for the sake of emphasis. Suffice it to say that I concur most heartily in all those things which have been said of Sir Robert Borden, as well as of the artist who executed the statue that has been unveiled today.

As people in the days ahead look upon the likeness of Sir Robert that is now on the grounds of parliament, they will doubtless be moved to study the life and accomplishments of this great Canadian. If they do, I am sure that they will discover something which will give them considerable encouragement.

Sir Robert was born in humble circumstances, and through his own effort and determination to work hard he reached one of the highest positions within the ability of the Canadian people to bestow on any man. He accomplished this without benefit of family fortune or prestige of great family power. It will occur to all who will read and learn about this Canadian that what Sir Robert accomplished many another Canadian can also accomplish if he is prepared to devote himself unceasingly and with complete honesty of purpose to his task. We may differ with many of the views that were held by Sir Robert Borden. We may be critical even of some of the things he did, but anybody who took the trouble to study his life and the motives that activated him in his public service must agree that he did have complete honesty of purpose and an integrity that can stand as an example to all who are called to serve their country. It is fitting, therefore, that an occasion of this kind be used to remind ourselves that Providence has always raised up good men to meet the needs of the particular time in which they lived.

I am sure that Sir Robert was one of those, and furthermore if our nation continues in humility to seek after things of righteousness we will always be blessed with the kind of men who can give us the leadership we need for the particular circumstances of those times.

May I say in conclusion that I honour the memory of Sir Robert Borden for all the reasons that have been mentioned here today, and in addition for the fact that he had a thoroughly disciplined mind, which he applied with singleness of purpose to the development of Canada and the British Empire. Of Sir Robert it can truly be said that he served his country well.

Hon. L. René Beaudoin (Speaker of the House of Commons): Ladies and gentlemen, I ask you now to rise and sing "God Save the Queen."

Whereupon the gathering sang *God Save the Queen.*

HOUSE OF COMMONS

Wednesday, January 9, 1957

The house met at 2.30 p.m.

LABOUR CONDITIONS

CANADIAN PACIFIC RAILWAY—TABLING OF CONCILIATION BOARD REPORTS

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, I should like to refer to a question addressed yesterday by the hon. member for Winnipeg North Centre (Mr. Knowles) to the Prime Minister (Mr. St. Laurent). In accordance with that request I tabled at noon five copies of the conciliation board's report covering the dispute between the locomotive engineers and the Canadian Pacific Railway Company, as well as five copies of the minority report.

Then as to the other part of the hon. member's question, he asked if we could table all the correspondence with the parties concerned dealing with the matter. On looking this up I find that the correspondence is quite sketchy, consisting mainly of copies of telegrams. In order to give a better picture I have undertaken to prepare a factual report covering the background of the dispute leading up to yesterday. This will contain summaries of telephone conversations as well as copies of telegrams. I am in your hands as to whether this should be tabled with the Clerk or included in *Hansard*.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in view of the importance of this subject I wonder if not only the statement which the minister has prepared but also the report of the conciliation board and the minority report could be included as an appendix to *Hansard*?

Mr. Gregg: The report of the conciliation board and the minority report are very long documents and they have been tabled. If any hon. member would like to have a copy for study I would be happy to provide one. I think that would be better than including it in *Hansard*. This other document includes summaries of the reports and the correspondence we have had with the parties concerned, but it does not include a large number of wires, resolutions, summaries of telephone calls on this topic with parties who are not involved in the dispute.

CANADIAN PACIFIC RAILWAY—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I ask leave, seconded by the hon. member for Cape Breton South (Mr. Gillis), to move the adjournment of the house under standing order 26 for the purpose of discussing a definite matter of urgent public importance, namely, the need for the government to appoint a controller to take over the temporary management of the Canadian Pacific Railway so that its operation on the former basis might be resumed immediately pending an agreement between the company and its employees on all matters now in dispute. I think it is obvious to the house that this is a definite matter of urgent public importance and I am therefore moving this motion.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, as I pointed out yesterday to the hon. member for Winnipeg North Centre (Mr. Knowles), it is a fact that this strike is referred to in the speech from the throne and the debate on the address in reply to the speech from the throne which is to proceed as soon as we reach orders of the day will permit hon. gentlemen to make any suggestions they wish to make in connection with this strike which they think are in the public interest. It is not only the urgency of a matter which determines whether you allow the regular procedure of the house to be interrupted; there is also the urgency of debate to be considered. There can be just as full a debate on the debate on the address in reply to the speech from the throne as there could be under the motion which has been submitted by the hon. member for Rosetown-Biggar (Mr. Coldwell).

I think there have been several occasions when Your Honour has decided that that being the case there were no grounds for interrupting the course of the regular procedure of the house as it had been arranged, and in this case as it had been acquiesced in yesterday.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I say a word on the point raised by the Prime Minister (Mr. St. Laurent) as to whether there is urgency of debate in connection with this matter. According to the authorities—and on previous occasions Your Honour has made the same

point—what you have to consider is not just the urgency of a matter but the urgency of debate. All of us recognize the urgency of the matter.

Mr. Fulton: Mr. Speaker, I rise on a point of order. I submit that it is out of order for either the Prime Minister (Mr. St. Laurent) or the hon. member for Winnipeg North Centre (Mr. Knowles) to discuss the question of urgency until you yourself have given your ruling on that point. The standing order reads:

> He then hands a written statement of the matter proposed to be discussed to Mr. Speaker, who, if he thinks it in order, and of urgent public importance, reads it out and asks whether the member has the leave of the house. If objection is taken, Mr. Speaker requests those members who support the motion to rise in their places . . .

I submit no discussion can take place and no objection can be taken until after Your Honour has decided whether it is in order and of urgent public importance, and that a discussion between the mover of the motion and the Prime Minister or any member of the government is out of order until that ruling is made, at which time all members may have the right to speak on the matter if they so desire.

Mr. Speaker: Technically the hon. member is quite correct, but if I were to go further I could say that we are still under the order "motions" and I have not yet called orders of the day. At that time, just before proceeding with the question period, the hon. member for Rosetown-Biggar could have risen and presented his motion. However, I did not want to be technical about the matter and I listened to the Prime Minister and I was prepared to listen to the hon. member for Winnipeg North Centre because I find I need some help.

Mr. Knowles: Thank you, Mr. Speaker. My purpose is to direct myself to the one point, namely, whether there is urgency of debate. The Prime Minister suggests that this matter can be discussed during the debate on the address in reply to the speech from the throne because the matter is mentioned in the speech from the throne. I would point out to you, sir, that under the new rules the debate on the address in reply to the speech from the throne can continue, and probably will continue, until Tuesday, January 22. That is another 13 days.

If the government is going to wait another 13 days to collect the opinions of the members of the house as expressed hit and miss in the debate on the address, that is hardly coming to grips with the issue. Because of the urgency of the issue itself, I suggest that there is urgency of debate and that it is urgent for the government to wait not 13 days to collect the opinions of the members of the house but it is urgent for the government to have today the opinions of members in all parties as to what should be done in connection with this matter.

My leader has laid before the house not only the matter itself but a specific, concrete proposal to which members can address themselves. I suggest that in view of what the present situation is doing to the economy of the country and in view of the rights of the men involved there is urgency of debate and urgency of having this matter discussed by parliament today rather than having it drag out for another 13 days.

Mr. Speaker: In the first place the Minister of Labour, in tabling a certain document, has made a suggestion that one document containing correspondence be printed as an appendix to *Hansard*. Is there unanimous consent to that effect? Is that agreed?

Some hon. Members: Agreed.

(For text of document referred to, see appendix, pages 51-56.)

Mr. Speaker: Is there any other business to be transacted under the heading of motions? If not, we are at the stage just before orders of the day are called.

Mr. Coldwell: I regret that I did not realize that you, Mr. Speaker, were about to call orders of the day. I was waiting for the appropriate place.

Mr. Speaker: We are now at the appropriate place. Mr. Coldwell has moved for leave to introduce a motion adjourning the house under standing order 26, and the purpose of it is to discuss a matter which is well defined and no doubt of urgent public importance. I listened to the remarks made by the Prime Minister (Mr. St. Laurent) and also to those made by the hon. member for Winnipeg North Centre (Mr. Knowles). I also looked at standing order 38 which defines the order in which the debate on the address in reply is to be taken. If this motion were moved, let us say, tomorrow and if this evening the acting leader of the house announced, as is provided for in standing order 38, that we were not to proceed with the debate on the address in reply tomorrow but to skip a day or two, I would be inclined to allow the motion. The session opened yesterday. In the speech from the throne there is reference to this matter which is of extreme importance; and today, traditionally, after the mover and the seconder of the address have made their speeches, it is leaders' day. In view of the importance of the question I would greatly doubt that the leaders in their

speeches today would not deal with the matter, although perhaps not along the lines of the suggestion made by the hon. member for Rosetown-Biggar (Mr. Coldwell). But as he knows, as soon as the Leader of the Opposition (Mr. Diefenbaker) has made his speech, he will be given the floor as is customary—

Mr. Coldwell: After the Prime Minister.

Mr. Speaker: Yes; after the Prime Minister. Then the leader of the C.C.F. party will be given the floor. I have always had certain difficulty with respect to this standing order 26 especially when the matter mentioned under it obviously is of urgent public importance. Not only in this case but in many others hon. members have moved a motion of importance similar to this one; and when I have had to decide whether there is urgency of debate it has been customary for me—and not only for me but for my predecessors ever since the standing order has existed—not to grant the motion when there is opportunity for a debate involving great latitude such as that on the address in reply, the budget debate or a motion to go into supply. The matter presents difficulty. As I told hon. members last year, I have been studying the matter and the Clerk and I have had discussions about it. I should not like to be called upon today to change the practice which has been so consistently followed in the past. I am still considering the matter. As I say, it presents difficulties. I should like the house to bear with me at this moment. I would ask the hon. member for Rosetown-Biggar to understand that I do not at the moment wish to change the practice which has been so consistently followed in the past. I shall give the matter some further thought. I do not say that he should not be permitted to make his motion again. I do not make any commitments but I would say that unless opportunity of discussion not only of the various matters mentioned in the speech from the throne but of this matter of urgency as well is given in the debate on the address in reply —if it is skipped for a day or two and not enough opportunities have been given for the house to express their views—I should be inclined to go along with the hon. member. I therefore do not accept the motion.

[*Later:*]

On the orders of the day:

Mr. Irvin Studer (Swift Current-Maple Creek): Mr. Speaker, I should like to direct a question to the Minister of Labour to this effect. Have any arrangements or agreements been made to provide the necessities of life, food, fuel, and so forth, to those areas suffering a shortage owing to the railway strike?

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, no agreements have been made to that effect, but in discussions with the two parties concerned those matters were discussed and I have already brought instances of pending hardship to their attention. If there are any that my hon. friend has in mind I would be glad to do what I can to bring them to the attention of both parties.

FINANCE

REQUEST FOR REDUCTION OF TAX ON AUTOMOBILES

On the orders of the day:

Mr. Michael Starr (Ontario): Mr. Speaker, I should like to address a question to the Minister of Finance. Is the minister giving consideration to a further reduction of excise tax on automobiles manufactured in Canada?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I wish I could remember the precise answer I made to the same question asked by the same member about a year ago. All I can say is that we consider everything.

THE BUDGET

INQUIRY AS TO PROBABLE DATE OF PRESENTATION

On the orders of the day:

Mr. Michael Starr (Ontario): In order that automobile dealers may arrange their car inventories, can the minister advise when he expects to bring down the budget?

Hon. W. E. Harris (Minister of Finance): No, Mr. Speaker, it has been customary to give sometimes one week's and sometimes two weeks' notice of that date, but I am not in a position to give a date at the present time.

POWER

COLUMBIA RIVER—INQUIRY AS TO DISCUSSIONS WITH UNITED STATES GOVERNMENT

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Can the Minister of Northern Affairs and National Resources tell the house when conversations between representatives of the government of Canada and the government of the United States with respect to problems concerning the development of the Columbia and other international rivers will commence?

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): No definite date has been set as yet.

Inquiries of the Ministry

GRAIN

WHEAT—INQUIRY AS TO INTERIM PAYMENT ON 1955 CROP

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Can the Minister of Trade and Commerce say whether an interim payment on the 1955 wheat crop can soon be made in order to improve the cash position on the prairies and avert any precipitous drop in farm income?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Under the terms of the Canadian Wheat Board Act, such a payment cannot be made until it is recommended by the Canadian wheat board, and I have received no recommendation to date.

Mr. Argue: Under the special circumstances, I wonder whether the minister would consider communicating with the wheat board in order to see whether such a payment could in fact be made?

Mr. Howe (Port Arthur): I shall be glad to look into the matter.

TRANSPORT

INQUIRY AS TO USE OF CANADIAN PACIFIC REFRIGERATOR CARS BY CANADIAN NATIONAL

On the orders of the day:

Mr. G. W. Montgomery (Victoria-Carleton): I should like to ask the Minister of Transport this question. Is the Canadian National Railways permitted to use Canadian Pacific Railway refrigerator cars for the movement of perishable goods, such as potatoes, during the period in which the C.P.R. is closed down as a result of the present strike?

Hon. George C. Marler (Minister of Transport): The hon. member was good enough, Mr. Speaker, to send me notice of his question and I have made some inquiries from the Canadian National. They advise me that such C.P.R. refrigerator cars as were on the Canadian National system at the time of the strike will continue to be used by Canadian National in the usual manner, but they will not move onto their own lines refrigerator cars at points not ordinarily served by the Canadian National.

INQUIRY AS TO APPOINTMENT OF CONTROLLER

On the orders of the day:

Mr. W. M. Johnson (Kindersley): In view of the termination of the duties of the former transport controller at the conclusion of navigation last December 17, can the minister make an announcement that an appointment has been made to fill this important post?

[Mr. Lesage.]

Hon. George C. Marler (Minister of Transport): Regardless of the impression of the hon. member, the resignations of the transport controller and of the deputy transport controller were received only in the last week of December. These resignations have not yet been acted upon by the government; consequently, I am not in a position to make any statement concerning their successors.

Mr. Johnson (Kindersley): Am I to assume that there will be an appointment made at a very early date?

Mr. Marler: I think I should say this, that the transport controller carried out his duties with outstanding success in the face of very substantial criticism from the hon. gentleman opposite. In the first place, I think it is going to be exceedingly difficult for the government to find a transport controller of the calibre of Mr. Milner. In the second place, I think in view of the criticism expressed by my hon. friend it will be very difficult for us to find someone who will be willing to accept the duties.

Mr. Argue: Nonsense.

Mr. Johnson (Kindersley): What am I to conclude from that? Am I to conclude the government is not planning on making an appointment to this post?

CITIZENSHIP AND IMMIGRATION

INDIAN AFFAIRS—SITUATION ON HOBBEMA RESERVE, ALBERTA

On the orders of the day:

Mr. J. A. Smith (Battle River-Camrose): Mr. Speaker, I should like to address a question to the Minister of Citizenship and Immigration. Would the minister give a statement as to the future plans of his department for many Indian families living on the Hobbema reserve in Alberta who have allegedly been deprived of their treaty rights and the privilege of residing on that reserve?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, the minister does not admit for one second the accuracy of the allegation made by the hon. gentleman, and therefore there is no occasion for any kind of statement.

Mr. Smith (Battle River-Camrose): I have a supplementary question, Mr. Speaker. Is the minister not aware of the fact that over 100 Indians have been requested to leave that particular reserve within the next few weeks?

Mr. Pickersgill: The minister is quite well aware of what actually has happened on the reserve, yes.

Mr. A. M. Campbell (The Battlefords): Mr. Speaker, I should like to address a question to the Minister of Citizenship and Immigration. What is done or what happens when a group of Indians are voted out of an Indian band? What becomes of them? Is anything done by the department to see that they find a new home or get on a different reserve? What are the plans?

Mr. Pickersgill: Mr. Speaker, I think the hon. gentleman is under a slight misapprehension. No Indian can be voted out of a band; no Indian can be deprived of his Indian status. But, as the hon. gentleman knows, since he participated in the revision of the Indian Act, which I did not, the Indian Act does provide legal procedure for the determination of who is or is not an Indian. When the status of an alleged Indian is challenged by another, that legal procedure, which was laid down by this parliament, is followed, and I think every hon. member, and certainly the Leader of the Opposition, would insist that the government should carry out the law as laid down by parliament. That is precisely what we are doing.

Mr. Ferguson: They join the C.C.F., don't they?

IMMIGRATION

ADDITIONAL RECEPTION AND HEALTH FACILITIES FOR HUNGARIAN REFUGEES

On the orders of the day:

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I should like to address a question to the Minister of Citizenship and Immigration with regard to reception arrangements being made for Hungarian refugees arriving in Canada, and particularly whether the dominion government has arranged to provide any additional reception and health facilities of its own for their accommodation and instruction until such time as they can be fitted into the employment picture in Canada?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Well, as the hon. gentleman very well knows, all the arrangements that have been made so far for the reception of the Hungarian refugees, over and above the normal facilities existing in the Department of Citizenship and Immigration, have been on an ad hoc basis, in an effort to meet the problems as they have developed. I believe that up to the present we in Canada have been able to provide adequate reception for everyone who has arrived, perhaps not quite as nice as we sometimes would have liked it, but it has been pretty satisfactory, thanks, not nearly so much to the government as to the great generosity of the Canadian people, for which I am sure everyone in the house is grateful; and I have no doubt that if more facilities are needed in one way or another they will be provided either by the federal government or by provincial and local authorities, and I hope in large part by voluntary agencies. Up to the present the facilities have been adequate to meet the flow but this present week is going to see the biggest flow yet of Hungarian refugees across the country.

OLD AGE PENSIONS

INQUIRY AS TO POSSIBLE INCREASE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Prime Minister. Despite the omission of the subject from the speech from the throne, can the Prime Minister say whether the government is still considering asking parliament at this session to raise the amount of the old age pension?

Right Hon. L. S. St. Laurent (Prime Minister): If there is any announcement to be made in that respect it will not require a question from the hon. member to have the announcement made.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Tuesday, January 8, consideration of the motion of Mr. R. F. L. Hanna for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, may I first through you extend to the mover (Mr. Hanna) and the seconder (Mr. Robichaud) of the address in reply to the speech from the throne, not only my congratulations on the outstanding manner in which they discharged their responsibilities—and I say that not in a routine manner—but also may I add my personal appreciation and thanks for the warm references they so kindly made regarding myself. I deeply appreciate what they said and I may add, sir, that I appreciate the attitude in general of my colleagues on both sides of the house who in their attitude toward me have revealed that understanding which becomes of the essence of our parliamentary system. As the years go by and as we face one another across the house, we develop that regard and respect for those who do not agree with us without which our parliamentary system would be meaningless and ineffectual.

I also want to add a word of personal regret concerning the circumstances which made necessary the resignation of the Hon. George Drew and to say through you, sir, to the Prime Minister (Mr. St. Laurent) that we on this side of the house wish to thank him and his colleagues for the words spoken by him regarding the outstanding contribution made by Mr. Drew to the public service and to Canada both in war and in peace. We couple therewith the hope that it will not be long before he will be restored to his former vitality and health and again able to take his place in the public affairs of our country.

Having said that, I am going to step immediately into a discussion of the speech from the throne. It is a somewhat lengthy document containing a rather extended reference to Canada's external affairs, to the Canada Council and federal grants, to the intention to amend the Municipal Grants Act which we in the opposition have advocated for so long, and to the necessity of certain statutes being amended. One is struck by the fact, however, that regarding an important issue facing Canada at this hour there is but a short and uncertain reference. I refer of course to the paragraph dealing with the strike in which the following words appear:

> In the last few days a serious industrial dispute has led to a stoppage of work on one of the major railways of Canada despite the use of the normal processes of conciliation. Special efforts have been made and are continuing to be made by my ministers to assist the parties to reach an agreed settlement.

That is a casual reference which calls apparently for cavalier contemplation of a situation which is dangerous, critical and crippling in its economic effects. This strike has now been in continuance for one week and with the exception of periodical statements which are more or less hopeful in their import there has been no declaration made by the Prime Minister (Mr. St. Laurent) or by the Minister of Labour (Mr. Gregg) regarding this very serious matter.

Across the country we find ourselves in this position today. In various parts of the maritimes which are served only by the Canadian Pacific railway a situation exists which is detrimental to the areas affected. Because of the tremendous glut of wheat, areas on the prairies served by the Canadian Pacific railway are faced with a critical situation. Yet all that parliament is vouchsafed is a pious declaration that special efforts have been made and are continuing to be made.

The motion introduced today by the hon. member for Rosetown-Biggar (Mr. Coldwell) is one which we had considered. We felt that under the rules it would not have been possible to move such a motion successfully. Indeed if it had been accepted the adjournment would have been only for today, but now there is an opportunity available—not only today but in the days ahead as changes take place—to discuss this matter which vitally affects the Canadian people.

Warehouses and docks are piled high with cargo. Unemployment is occurring because of necessary layoffs of men in industries directly affected by the strike. The common council of Saint John, New Brunswick, on Saturday declared a state of emergency. Prayers were offered in the Roman Catholic churches for a settlement. That is a summary of the press reference I have here and I do not intend to go into further detail.

What does the government do? It continues its policy of being resolute in irresolution. What has it done? This is not a new problem. This matter has been before the government for months. There has been postponement and procrastination, there have been promises that something is going to turn up. We have had daily repetition of promises for the future.

What does the government intend to do? That is a question which the Prime Minister must answer this afternoon. Across this country people are asking, "What do you intend to do?" Remember that the results flowing from automation are not of recent development. One year ago Mr. Jodoin suggested the setting up of a commission on the problems of automation. He stated the other day that if his suggestions in that regard had been met the strike might very well have been avoided.

Let us go back to 1950. In 1950 the situation of course was more general than it is today. In 1950 the strike was outlawed. In 1953 the Prime Minister indicated that if a strike then threatening was carried into effect action similar to that taken in 1950 would be taken.

Mr. St. Laurent (Quebec East): I am sure the Leader of the Opposition does not want to go further than I went. I advised them that parliament would be called immediately.

Mr. Diefenbaker: Parliament would be called to act. That is what the promise was. Then in 1956, a few days before Christmas, the press reported that the Prime Minister had stated—I know that he has since said in a rather uncertain way that he was not properly reported—that—

Mr. St. Laurent (Quebec East): If the hon. member wants to know what happened let me say that from half-past eleven o'clock of the night before I was getting continuous calls. I told everyone that if there was any statement to be made it would be made from

Ottawa by the Minister of Labour (Mr. Gregg). One gentleman of the press said, "Two or three years ago you made a statement that there could be no strike." I said, "I hope there will not be one this time." That is as far as the conversation went. I got considerable criticism from the local paper in Sherbrooke because of the report which was made.

Mr. Diefenbaker: The Prime Minister seems to be a little touchy on that point. If that represents the extent of the Prime Minister's statesmanship on a problem like this it indicates a curious lack of any plan to settle a matter as serious as this.

Mr. Pickersgill: What would the great Tory party do?

Mr. Rowe: It could not do less anyway.

Mr. Diefenbaker: The Prime Minister has given his interpretation of what he said but the Canadian people have a right to expect something more than that from a government which over the years has governed this country. Yes, there should be something more than that. One reason no doubt for that action was political expediency, and there was no other.

Let me go on from there. I said a moment ago that the present situation is not one which has occurred overnight, it has been developing for months. In 1950 we in this party advocated a revision of the conciliation methods and procedures in the interests of flexibility and the prompt settlement of industrial disputes, but not the slightest attention was paid by the government to our proposal. These matters ought to have been calmly considered under normal conditions instead of waiting now until a major work stoppage has taken place. The government, by its attitude and conduct in 1950 and subsequently in 1953, has misled both management and employees. They have been misled by the government, by the uncertainty of the course followed by the government through the years. The Prime Minister (Mr. St. Laurent) smiles regarding a problem that affects the hearts and purses of Canadians everywhere, that effects the economy of this country.

Over and over again there has been reference to the fact that negotiations have taken place between management and representatives of labour. Will the Prime Minister state to the house this afternoon what took place at these various meetings? Will my right hon. friend, that conciliator, the Minister of Trade and Commerce (Mr. Howe), tell the house what took place at these several meetings at which he and the Minister of Labour (Mr. Gregg) dealt with this problem?

I ask the Prime Minister to declare this afternoon what the government is going to do. What is its plan? To sit? To think? To contemplate and to issue daily statements? I ask the Prime Minister to say this afternoon what the government is going to do, what course it will follow, what leadership it will give to the House of Commons, what plans it has in mind.

Those are the questions that are being asked today across this country, for after all with the vast majority enjoyed by the government it is indeed in a position to indicate its plans and also to ask parliament to provide the means whereby those plans will be carried into effect. One week has gone by. I ask the Prime Minister this. Have you not got a plan? Is this thing to continue on and on?

An hon. Member: Have you got a plan?

Mr. Diefenbaker: When the Prime Minister has placed that plan before the house, it will be the first time there will be any indication of leadership on the part of the government in this matter that affects vitally the people of Canada and all the people of Canada.

I pass on now to the question of international affairs.

Mr. Herridge: What is your plan?

An hon. Member: What is your solution?

Mr. Diefenbaker: In 1950, having regard to the circumstances which then existed, we indicated our stand and that stand was voted down. In the light of experience since, the recommendations then made would have avoided the possibility of future tie-ups of this kind, particularly if the recommendations made from this side of the house with reference to improvement and modernization of the machinery for conciliation has been considered and implemented.

I pass on to the major question dealt with in the speech from the throne. It is interesting to note over the years the degree to which external affairs have more and more taken up the time of and received consideration by parliament. If one looks back over the years one finds in the debates of parliament that there was a time when little of the operative time of parliament was taken in the discussion of external affairs. But in the speech from the throne approximately two pages are devoted to the subject of foreign affairs, and there are one or two matters in connection therewith that I wish to bring to the attention of the house.

When one thinks of external affairs one cannot lose sight of the fact that one who

throughout the years has given devoted service to the British people, the British commonwealth and to freedom has resigned today because of ill health. Whether one may agree or disagree with all of the stands he has taken throughout the years, no one can deny his devotion to freedom and the lengths to which Sir Anthony Eden was prepared to go in support of the principles in which he believed and to give of his best to the solution of problems affecting freedom loving people everywhere in the world.

I should like the Prime Minister, if he will, to review some of the events that have taken place in connection with international affairs since we last met in the short session of parliament. At that time we pointed out the degree to which Canada had joined with others in criticism of the stand taken by Britain and France and we indicated that there would be encouragement to Nasser to act in a way contrary to international principles. Indeed, the division among the nations of the free world was such that it brought about a cleavage serious to the preservation and maintenance of freedom. Since then Nasser has succeeded beyond, I would say, even his fondest dreams. He placed obstacles in the way of the clearance of the canal. He gave notice he would no longer recognize the six principles of the United Nations for the future of the canal. He first refused to permit British and French crews to work in the clearing operations and then finally said he would allow them if they handed over their equipment to the United Nations. Britain and France acted in good faith to quit Egypt and the canal was to be cleared on a non-political basis.

All these things took place and the situation today seems as serious as it did on the occasion of the short session of parliament, if not more so. At that time I had the honour to suggest that something be done by Canada to bring together the leaders of Britain, France and the United States. In the last few days there has been some suggestion that at an early date there will be such a conference. I ask the Prime Minister whether or not he is in agreement that Canada should be the country to act as host in bringing together these three nations in order to achieve that degree of unity, co-operation and united effort that has characterized these three powers over the years. What has been done in that connection? What course is being followed in order to bring about a restoration of better relations between these nations?

I realize that since we met the council of NATO has met. What took place there? The report of the council indicates that progress was made. There were some of us who were surprised that, in the choice of the Secretary General, one who had the qualifications of the Secretary of State for External Affairs (Mr. Pearson) had not accepted the appointment. I think it was suggested that he would do so. There were many who expected it. Indeed, I think some of his colleagues sitting not too far from him had hoped that he would do so.

Mr. Pickersgill: I suggest it was hon. gentlemen opposite.

Mr. Diefenbaker: I was not referring to my hon. friend. Would the Prime Minister (Mr. St. Laurent) indicate what took place at the NATO conference in so far as changes were brought into being which will unite once more the freedom-loving powers to which I have referred? What is being done? After all, there is a reference to NATO. The Prime Minister indicates that he was not there. In the speech from the throne we find this paragraph:

> An encouraging advance is being made, as evidenced by the latest ministerial meeting of the council, in the development of the North Atlantic Treaty Organization in the non-military as well as in the military field. My ministers remain strongly convinced of the need to maintain the North Atlantic Treaty as the keystone of the defence of the western nations.

Would the Prime Minister say what is being done? Would he say whether or not even now, if an invitation has not been previously extended, he would feel like extending that invitation on behalf of the people of Canada to the leaders of the three powers to meet here to the end that in an atmosphere of goodwill within this country the leaders of these nations might come together and once more restore the strength of the alliances between them.

Then there was a reference to the United Nations and the degree to which the United Nations is achieving a new importance in the world. There is a reference to the heroic stand of the Hungarian people, and with that there can be no disagreement; for so long as freedom lives in the hearts of men the stand of those Hungarian people will be an epic, and a heroic one, in the history of freedom regardless of what stands may be taken in the future.

But what of the United Nations in connection with Hungary? When resolutions were passed with regard to Britain and France, action was taken by those countries. What is the intention of Canada with reference to the attitude taken by the Hungarian government in refusing in any way except, in the most qualified manner, to carry out the wishes and the directions of the United

Nations? What is going to be done on the part of Canada in order to show that the laws of morality and justice cannot be defied and that the authority of the United Nations cannot be flouted in the manner in which it has been done by Hungary in recent days. For after all law, however beneficial, becomes ineffective and in fact an incitement to lawlessness, unless it is enforced.

I want to ask the Prime Minister what views he has with regard to the recent declaration of President Eisenhower relative to the policy for the Middle East in so far as the military end of it is concerned. With the exception that there are reservations in large measure, it represents a step forward to the attitude taken by Britain and France a few weeks ago, subject to only two reservations and no other. What stand is Canada going to take? What attitude does Canada take with reference to this matter? Does she intend to join with the United States in support of the action contemplated by the United States? After all, that is a problem that today must be faced; for had the United States taken a similar attitude six months ago or even three months ago, what took place in the Middle East might never have occurred and the unity of the free world might not have been impaired. These things are not dealt with in the speech from the throne. These things deserve amplification and explanation by the Prime Minister on this occasion.

I am now going to refer to one or two other matters and then I am going to leave to my colleagues a discussion of the various subjects inherent in the various paragraphs in the speech from the throne. There are many things with which we agree. We agree as to the need for assistance to the municipalities across this country. Today the municipalities find themselves in a position in which they are unable to carry on with their sources of taxation removed, their responsibilities amplified, their condition aggravated by the fact that in many cities and towns government buildings and government institutions, even under the present legislation, have been almost entirely freed from any responsibility for the payment of taxation. I make a suggestion because of the fact that the municipal field has never been seriously considered. Casual consideration was given to it at the time of the Sirois report. I suggest that a study should be made of the problem of municipal governments in relation to their present financial resources and that it should be instituted by the federal authority in co-operation with the provinces—for the present condition of affairs cannot continue—if the municipalities, faced as they are with increasing expenditures, are to be enabled to meet the responsibilities that are theirs.

I intend now to make a reference to agriculture, and in particular arising out of the promise made in the speech from the throne to have a committee of the Senate look into the question of submarginal land and the uses of submarginal land. I think the step in this regard is a good one. It is one that is long overdue. We in the western provinces over the years have seen the tremendous contribution that the prairie farm rehabilitation administration has made to the removal of those areas subject to erosion and to the restoration of productivity in areas that under normal circumstances would have become waste land with the expiry of years. I hope that the legislation—I refer to the Prairie Farm Rehabilitation Act which incidentally is a monument to the foresight of the Right Hon. R. B. Bennett and of his minister of agriculture the Hon. Robert Weir—will be extended in the days ahead to include all areas of Canada and in particular to meet the serious problem that faces the maritime provinces.

I do not want to go into local matters affecting western Canada. They will be dealt with by other members on this side of the house. But I do feel that consideration should be given to a very serious readjustment of the detrimental position in which the United States, by its give away program, has placed the industry of wheat production in Canada, a major industry under government control. What is the government going to do about it? This problem has been up for the last several years. When we first brought this before the house the attitude taken by the government was: Well, just trust us; there is really nothing to worry about; what is being done will not interfere in any way with Canada's markets for its fast accumulating surplus of wheat. Formal protests were made, but merely formal ones. Two of them were made two years ago, and when the question was asked of the Minister of Trade and Commerce (Mr. Howe), what reply did you receive, in effect he said that there was no need for a reply. We did not expect a reply.

Well, Mr. Speaker, letters such as that complaining against an illegal interference with the marketing of farm products in another country—action which was in contravention of the agreement under GATT and also of the regulations passed under FAO—should have been made not by pusillanimous and puerile notes but by language that can be understood. I should like the Prime Minister to say when he speaks, when he was recently in the United States and met with the president face to face, did he bring to his attention

the very serious result that will flow from the United States disposal program whereby, on a bargain counter and with extended credit over the years, not only is the United States appropriating markets for today but also markets for three, four or even more years ahead. What the United States is doing and what it did in connection with the Brazil agreement was a contravention of international agreement. Brazil will purchase 18,000 tons of wheat over a three year period.

What happens to Canada's markets when Brazil is bound under the agreement, because of its beneficial nature, to continue to purchase. That is not fair international competition, but illegal. The Prime Minister was not averse to strong words of criticism of Britain and France a few weeks ago when he referred to these supermen. I ask the Prime Minister, what did he say to the President of the United States? Did he get any assurance from him that this serious condition brought about through improper means and in derogation of trading relationships shall be discontinued?

What about Brazil? In 1952-53, Brazil purchased from Canada 11,089,000 bushels and that was some 7,200,000 bushels more than the year before. In 1953-54 Brazil bought 7,706,000 bushels, and now we are practically out of the market. The same condition prevails in 12 other countries. The United States, by its policy, is securing a greater proportion of the world market than is justified by proper means. Canada cannot meet this type of unfair competition. We have not the resources. In addition to that the fact that we import, as we do, all our commodity requirements from the United States that could be purchased elsewhere is no incentive for nations to purchase agricultural products from us.

Two years have gone by since the United States started this system of disposing of surpluses by local currency and give away deals. In the last two crop years Canada has fallen behind the United States and has lost her place as the leading wheat exporter to the United States. What about the deal with India? The hon. Minister of National Health and Welfare (Mr. Martin) is over there now. Is he endeavouring to secure markets, while the United States has cornered the market there for the future—in part by a deal that is unjust and a denial of all the principles of fair international trading recognized under GATT and also under FAO?

According to the press it was not until September, 1956, that the government finally found out these give away deals carried with them an undertaking on the part of the recipient country to continue to deal with the United States for a set number of bushels to be imported in the years ahead. What is the government going to do about it? India takes $400 million worth of agricultural products on terms so dangerous as to constitute a gift. If this goes on and the United States extends similar offers to West Germany and Japan and some of our other good customers, Canada will suffer irreparable damage. I say to the Prime Minister that a policy of sit tight and contemplate and sending simple messages is not sufficient. The president of the United States must be made to realize that conduct such as this is not advisable for the maintenance of the strength of the free nations and is a denial of the undertakings of the United States under the international agreements to which I have made reference.

As far back as September 17, 1952, the agricultural attache to the United States embassy at Ottawa stated that there was no danger in this and that surpluses would only be sold abroad by the United States competitively and always fairly. What is the Prime Minister going to do? What attitude is being taken by this government? An attitude similar to that taken in the last few weeks in connection with the potential railway strike and since is not the kind of action that will secure for Canada her markets and the markets to which she will be entitled provided she is able to meet fair competition—which is all that Canada expects and all that she has a right to expect.

Now, sir, the other questions in the speech from the throne will be dealt with by other members on this side of the house. All I have tried to do today is to place before the house two or three instances of resolute inaction on the part of the government. For some reason the attitude of the ministers individually and collectively is this, that action is not necessary; that we can hope and expect and ultimately something will happen. This applies in the international field and applies in the national field in the examples I have already given. It applies in many places to which reference will be made during the progress of this debate.

Having regard to these circumstances, I therefore move, seconded by the hon. member for Eglinton (Mr. Fleming), that the following be added to the address:

We respectfully represent that Your Excellency's advisers, by reason of their indifference, inertia and lack of leadership in the face of serious national and international problems and their disregard of the rights of parliament, are not entitled to the confidence of this house and have lost the confidence of the people of Canada.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I wish to join with the new Leader of the Opposition (Mr. Diefenbaker) in extending warm congratulations to the mover (Mr. Hanna) and the seconder (Mr. Robichaud) of the address. Since I follow the Leader of the Opposition I wish to extend some congratulations to him, perhaps especially on the fact that he left the most violent of his impeachments of the government to the terms of his motion rather than stating them publicly in the house. But the motion ends in this way: Your Excellency's advisers, for the reasons stated:

. . . are not entitled to the confidence of this house and have lost the confidence of the people of Canada.

Well, as to the confidence of the house, there will be an early test of that assertion of the new Leader of the Opposition, and we shall then count noses and see whether his appreciation of the temper of the house is any more accurate than that of some of his predecessors in past years. There is also the impression throughout the country, which I am not going to attempt to dispel this afternoon, that there may be before very many months an opportunity for the people of Canada to say whether or not they agree with his statement that the government has lost the confidence of the people of Canada.

Now, perhaps my answer to the hon. gentleman might sound more appropriate if I began with the last items he dealt with and then gradually moved up toward the first. At the end of his speech he was dealing with agriculture, about which he seemed to say that this horrible conduct of the United States must in some way be stopped. Well, it reminded me of an assertion of one of his predecessors that Canada was going to blast her way into world markets. This was a suggestion that Canada, in the view of the hon. gentleman, should blast the United States out of the policies decided on by its congress. Well, I do not think that his suggestion would be more successful in achieving the objective, which is the very desirable objective of having competition on the normal basis which existed in the years gone by, than the other was. I do not think that it would be any more successful in blasting the United States out of that kind of conduct than were the attempts to blast Canada's way into world markets by an imperial conference held here in Ottawa and other measures which were perhaps intended to be covered by the expression "blast"; but the detonation of which was not very loud, not very resounding, throughout the world.

With respect to agriculture, it might be of some interest to the house if I were to put on the record just a few statistical figures of what has been happening in the past year. During the crop year of 1955-56 August 1 to December 28 the marketings of all grains, were 161.7 million bushels. During the same period of this year they happened to have been 239.8 million bushels, an increase of 78 million bushels over the preceding year. The shipments from country points in 1955 were 163.3 million bushels. In the crop year 1956-57 they were 248.2 million bushels, an increase of 84.9 million bushels. The cars loaded during the same period in the 1955-56 crop year were 96,000. The cars loaded in the crop year 1956-57 were 132,000. The lake and rail shipments for the 1955-56 were 122 million bushels. In 1956-57 they were 173 million bushels, an increase of 51 million bushels. The shipments from the Pacific coast in 1955-56 amounted to 32.8 million bushels, and in 1956-57 it was 53.7 million bushels, a difference of 20.9 million bushels, and that has resulted in a difference in cash distributed to the western producers of some $150 million. In Manitoba in 1955 it was $48,270,000; in 1956 it was $70,692,000 for the first nine months of the years 1955 and 1956. In Saskatchewan, instead of $215 million—I am leaving off the hundreds of thousands, but in some cases they are important—it was $322,700,000. In Alberta, instead of $111 million, it was $132,800,000, or a total for those nine months of the two last years of $374,-681,000 in 1955 and $526,248,000 in 1956. Well, we would all have been happy had it been more, but it does not show that there have been, because of this "give-away" problem, any greater difficulties in marketing Canadian wheat than there had been before.

Mr. Diefenbaker: That is not what the wheat board says.

Mr. St. Laurent (Quebec East): But notwithstanding that, I was very happy when, toward the end of my short holiday in Florida, I received a telephone call from the White House that the president would be glad if I would drop off at Augusta, Georgia, on my way back, have lunch with him and have a game of golf. Well I found in fact, you know, that a game of golf with one of those electric go-carts was about the best way to have an international conference because you are getting off the go-cart quite frequently for only a couple of minutes but for time enough to reflect on what has been said up to that moment and to reflect on what is going to be said when you get back on the seat of the go-cart. I can assure the

hon. gentleman that the tone of our conversation and the character of the relationship was somewhat better than would have resulted from any blasting that might have occurred.

I can assure the hon. gentleman first of all that I expressed some considerable gratification at the fact that he had been able to turn down the recommendation of the tariff board there that there be such an increase in tariff on fish from our Canadian fisheries as would seriously interfere with the continuance of that trade which is very vital to a substantial portion of the population of the Atlantic area. I was very glad to find that the President agreed with the suggestion that had been made to me that the difficulties of the New England fishermen were not due so much to the fact that there was fish coming in from Canada and there was also some coming in from Iceland but were due to the fact that they had rather exhausted their fisheries and therefore their costs of producing fish in their own boats had considerably increased and had got beyond what both the Icelandic fishermen and the Canadian fishermen could supply fish for in that market even with the tariff that was already in existence.

I was very glad to receive the impression that the President was quite conscious of the importance of the Canadian market to the United States trading nation and I must confess that he was rather surprised when I said to him that in the course of the present year it looked as if we were going to import from the United States almost a billion dollars' worth of goods more than they were going to buy from us and that was a figure that seemed to astound him. I also told him I was not saying it in any plaintive way because we were getting that large volume of additional commodities because most of them were being built into productive facilities that were going up in our own country but that that was a situation which of course he realized could not continue. It was being balanced at the present time by the attractiveness of industrial development in Canada to United States capital; but that there was going to be, as a result of the investment of American capital in Canada, a very substantial increase in production and that we were buying more than we were selling at the present time just as it sometimes happens to a farmer that he buys more in the spring than he sells in the spring. But it is because he is going to use the fertilizer and seed which occasion the additional buying to have a crop that is going to be larger in the fall; and that we were going to have a crop of production in our country a portion of which was going to be the crop resulting from the investment of his own fellow citizens in the industries of our country and that there would have to be at that time a much fairer balance of trade because it could not be expected that trade with them—of course it is not a one-way street—would be so predominantly moving more northward than the volume that was moving southward.

Well, I came away with the impression that the golf game had been very enjoyable but also that there had been other aspects of the half day I spent with him that were quite more important in what I was going to remember than the golf score on the splendid golf links of Augusta.

There was another reason for which I was very happy to have this confidential chat with the President which occurred on the eve of Mr. Nehru's visit. I said to the President quite frankly that I believed he and Mr. Nehru at the present time were probably the two most influential statesmen in the world, the two statesmen whose influence radiated the most widely in the free world at this time. I said, "Of course, I am not saying anything about China because I have never been behind the bamboo curtain and I do not know Mr. Chou En-lai, but I do know, or at least I think I know from my own personal observation, that Mr. Nehru is a statesman of whom, whether or not they will admit it openly, all Asians are proud. They are proud of his stature in the world at this time, and his attitudes, even for those who will not state that they fully agree with them, are attitudes which have an influence on their thinking." I believe the same is true of the President of the United States. The personal attitudes of the President of the United States are attitudes that radiate throughout the free world, and whether or not we always agree with all of them our thinking is always influenced to a degree by the attitudes which are adopted by him.

I asserted with conviction that Mr. Nehru was just as anti-communist as Mr. Eisenhower was, although in India there was not the same fear of dangers imminent from communism that Senator McCarthy had in the United States; that there might not always be the same approaches to the proper methods of counteracting what influences might be exercised by communism; but that it should not be forgotten that the background of the United States or the North American continent was not the only background against which we should appraise the attitudes of other people throughout the world outside of the North American continent.

I think this is something that we all have had to learn. Human nature and the essential aspirations of human nature are very much the same all over the world, but the background against which you have to place the attitudes of different people must be the background of their own civilization, of their own tradition and ancestral habits and ways of thinking and of acting. I am quite happy to report to the house that I got the very distinct impression, when Mr. Nehru visited us after his visit to the United States, that he was very much better satisfied with his last visit than he had been with the visit he made in 1949.

The hon. member speaks of a conference of France, the United States and the United Kingdom. It would be important and it is important that their actions be conducive to the same general results for the benefits of free people all over the world as they have to such a great degree in the past years and perhaps even in the past century. But there are other peoples in the world, and if we want to have peace in the world there must not be strife, there must not be misgivings, and there must not be mistrust or suspicion among the leaders of any of the other nations.

We have to try to behave in such a way that we will not be looked upon with suspicion and misgiving. Many hon. gentlemen saw and heard Mr. Nehru being interviewed by Mr. McInnes on the Sunday afternoon preceding his departure from Ottawa. I had the privilege of seeing him almost immediately afterward at the reception at the home of the high commissioner for India and I complimented him and told him that I hoped a lot of people in the United States enjoyed seeing him on the screen and of having the opportunity of appreciating his discussion with Mr. McInnes.

I told him that I must remind him that he had reminded me that the terrestrial globe might look different to one sitting on the north pole than it would to someone sitting at the equator. I told him that I had accepted that as a reason for his, and his people's, approaching some problems somewhat differently from our own people. I said that the aspect of the international situation at the present time might appear somewhat different to us in Ottawa and to Mr. Eisenhower and his colleagues in Washington than it would to Mr. Nehru and his colleagues in New Delhi.

I said that there did not seem to be any suggestion that India was going to be the ultimate target of any aggression which might be undertaken, but that so long as there were these terrible agents of destruction at the disposal of us in the free world and of those behind the iron curtain we had to be sure that those behind the iron curtain who might be—I do not think they are apt to be for a very long period—actual aggressors should be convinced that if there was aggression there would be inevitable retaliation which would do to the aggressor at least as much damage as they might do to the nation attacked.

If there was to be that kind of aggression it did not seem improbable that the ultimate target would be the United States and that the way to the United States would be on a path which led through Canada and that we intended to have that path in such condition that it could not be used for aggression without serious damage to those using it and that if it was used, no matter how rapid or how unexpected the aggression was, there would still be inevitable retaliation which would do as great damage to the aggressor as he might have caused.

We agreed that the likelihood of going to war with these terrible implements of destruction was not great, but that there was still a possibility. Because of that possibility we felt that the free nations must remain in such a position that possible aggressors would realize that retaliation would be inevitable and the result would unfortunately be a great degree of mutual destruction.

Mr. Nehru had suggested that military alliances appeared to him to be adding to the international tension because they appeared to denote a warlike attitude. I told him that unfortunately for us we were in such a position that we had to maintain military alliances as long as there was any possibility of aggression with the use of these new weapons because we ourselves did not have them. In our military alliances the tasks had been distributed and we could count, and possible aggressors knew this, upon the fact that these weapons were at the disposition of the United States.

I was saying all this to him, not to criticize his attitude but to ask him to feel that we also could rationalize our conduct, that we had what appeared to us to be very good reasons for maintaining these alliances and not adopting the view taken by him that there might be less international tension. We felt that the tension which existed was necessary as a deterrent against the use of any of these terrible instruments.

I have got quite a distance away from the agricultural problem that my hon. friend was discussing. With respect to that I can assure him that we are anxious to conserve that confidence we have had from the Canadian electorate for a number of years and that we are not going to omit doing anything we can

do, anything which in the lights that providence has given us we would estimate to be beneficial, to enable us to conserve that confidence.

We realize, as do the hon. gentleman and his friends, the importance to the economy of this nation of our agricultural population. We know, as he knows, that the P.F.R.A. has produced very beneficial results in the western provinces. We know, as he knows—perhaps I know this a little more intimately—that in my own province of Quebec there are people who are doing back-breaking work on land which does not yield them a proper income. I do not think that that is really inevitable in our country. I think that intelligent industry properly applied can yield in this country an income sufficient for a man and his family to live upon.

That happens, not only in the maritime provinces where it exists to quite an extent but in Quebec and in some portions of Ontario. Over a considerable period of time there have been large numbers of farmers in eastern Canada who have been making ends meet only because we have been buying butter from them at 58 cents a pound and have been buying rather more than has been actually consumed up to the present time.

But the population of Canada is increasing and my colleague here does not think that the problem of surplus butter is going to be of very long duration. I know I am eating more than my doctor thinks I should, but I am not making very great inroads into the surpluses that have accumulated. But our population is increasing by means of very satisfactory immigration and also by very satisfactory natural increases.

I was at one of the parishes in my constituency just before New Year's and the parish priest told me that there had been 550-odd baptisms and less than 100 burials in his parish during 1956. I think that was a most satisfactory situation. I cannot give that as an example of what is going on throughout the whole province because this is a new parish in which a lot of young people have purchased home lots. The proportion of home owners in that parish is larger than in any other parish of the city of Quebec and that young population is doing its best to increase our over-all population.

Our over-all population is going to have to be fed. This means that with probably something less than the present area of land under cultivation in eastern Canada, very much more has to be produced. This population is not going to remain at 16 million. I do not know what the figure will be a couple of decades from now but there will be very many more than there are at the present time, and I think the fertility of the soil fit for agriculture in eastern Canada can produce enough even for a doubling of the population in eastern Canada. But that is something which requires some attention from all the authorities. The jurisdiction in respect of this matter is generally looked upon as being the jurisdiction and responsibility of the provinces, but there is also the provision in the British North America Act that there is joint legislative jurisdiction in the federal parliament and in the provincial legislatures.

The investigation by the Senate committee will not be completed during the present session of parliament. It is something that will probably go on for much more than one session, but it will focus the attention of the public on the problem and will afford a forum to which those who know much better than I do how the problem can be dealt with and cured may come and state their views and have them publicized throughout the country. I think it will bring about an atmosphere in which the Canadian public in their threefold capacity of municipal electors, provincial electors and federal electors are going to want to have something done to bring about an improved situation. I know from some things that have happened in my own lifetime that when our farming population is shown how to do a thing better and shown that it is profitable to do it in the better way, they do come around and do it in the better way.

The maple product is a typical example of that. It took a certain number of years, but now the product of practically everyone who goes to the trouble of tapping maple trees is of prime quality and commands high prices. I know of tree fruit and small fruit growing. I know of the production of sunflower seeds, of alfalfa hay and things of that kind which have been used in certain parts but have not yet become general throughout the whole locality, and which do bring about an increase in production and an increase in income that will make life more attractive than it has been on those farms where young people see their parents doing very much more hard work than is compensated for by the returns they get from their farms.

I think that matter can be studied in the Senate to the great advantage of the Canadian public, and it will be a good thing for the status of the Senate to have the public of Canada realize what a useful job they will be doing in investigating that problem.

Some hon. Members: Oh, oh!

Mr. St. Laurent (Quebec East): I hear some laughter. I am one of those who believe that the Senate is a useful institution in our parliamentary set-up. I will admit there have been times when I have felt, like many others, that they could be doing more useful work than was being done, but that is not something inherent to the system.

The hon. gentleman speaks about a study of the problems of municipal government to be instituted by the federal government. Well, before his predecessor became leader of the opposition and while he was still premier of Ontario, I heard him deprecate at the 1945 federal-provincial conference anything being dealt with on a national scale that was already being dealt with by the provincial authorities. I know that in that regard the premier of my own province is, shall I say, more sensitive and has a more tender skin than Hon. George Drew had when he was premier of Ontario.

Now, national unity is very important to this country. We have to be careful to keep a majority of the reasonably-minded Canadians on our side and not have them feel that we are trying to centralize and sabotage the work of the fathers of confederation. There will be some who will make that assertion no matter what we do. No matter what precautions we try to take to avoid it being done there will be some who would affirm, if we were going to do something about municipal government, that we were aiming at destroying the Catholic religion and the French language in the province of Quebec. Could anything be more silly, more groundless than that?

I remember there were some, not many, who were scandalized when, sitting not in this seat but in the one next to it, I ventured to suggest that the day would come when the ability to use both official languages would be required of all those who wanted to sit on the front benches either on this side or on the other side of the house. At the time it was a scandal to make that kind of suggestion. To how many hon. gentlemen should I now extend my congratulations for the serious efforts they have made to indicate that they would like to speak the French language as well as they speak the English language?

Some hon. Members: Hear, hear.

Mr. St. Laurent (Quebec East): They have taken considerable pains to do that because they came to feel it was something that was going to be helpful toward bringing about a feeling of national unity from one ocean to the other in this country. I suggest to you, Mr. Speaker, that it is good citizenship always to be just as careful as we can to avoid offending even the tenderest skin in the suggestions we make about the activities of the federal government in fields which are enumerated as being within provincial jurisdiction under section 92 of the British North America Act.

This does not mean that we should not be tending toward a Canadian nationhood. The fathers of confederation intended Canada to be a nation and we all intend Canada to be a nation. But they recognized that the way to make a fruitful start in that respect was along the lines of the British North America Act. Some changes have been made in the act by agreement. Sometimes there has not been agreement and the changes have been made notwithstanding. So far I think we are in a position where we do feel that there is a more widespread feeling of Canadianism than there has been in the past. I hope that will continue and that we can do those things, but do them in such a way that we will not frighten anyone with the bugaboo that the religion and the language of the people of my own race in the province of Quebec are going to be taken away from them.

The hon. gentleman made some comments about external affairs. I am sure the Secretary of State for External Affairs (Mr. Pearson) will give a fuller report of what took place at the NATO council meeting than I could give secondhand from the reports I got, and I think it would be unnecessary duplication for me to attempt to say very much about it. But there is one thing I want to say to the hon. gentleman. I have known the Secretary of State for External Affairs for a number of years, and for a number of years I have felt that he was dedicating his life to the service of his country. I have felt—and I have said this to him on more than one occasion—that anyone who was dedicating his life to the service of his country had the right to select where he thought his services would be the most useful to his country. Since I have become Prime Minister, on more than one occasion when there were other possible attractions or things that I felt might be possible attractions I have said to him that it was of course his responsibility to decide whether, in being thus attracted, he could be of greater service to his country than he could in continuing to head a Department of External Affairs which has acquired a reputation throughout the world that is quite creditable to a nation of 16 million people.

The maintenance of world peace and the establishment of multilateral trade, these things which are international in character, are extremely important to the well-being of the Canadian nation. But I have ventured

to say to him that while of course he had to make his own decision about that matter I felt that the possibilities of his exercising the right kind of influence for the maintenance of world peace, for the restoration of normal trading conditions throughout the world and for the restoration of good feeling and proper cultural exchanges throughout the world were greater in his capacity as Secretary of State for External Affairs for Canada than they might be even in the extremely important post of Secretary General of the North Atlantic Treaty Organization. The hon. gentleman need have no illusions about that matter. My colleagues were quite as delighted as I was when we were informed that the Secretary of State for External Affairs was going to decline the suggestions that were being made to him that he should be a candidate for the office of Secretary General of the North Atlantic Treaty Organization.

Mr. Fulton: We shall have to have an individual poll.

Mr. St. Laurent (Quebec East): I know that all members on this side of the house will agree—and I hope most members on the other side of the house will do so—that he is apt to be of greater service to Canada in the role he has occupied with such distinction for the last eight years than he would be even as Secretary General of the NATO organization.

The hon. gentleman said he would like me to say something about the railway strike. There are some things—and this applies not only to international relations—that are not best served by blasting. I can assure the hon. gentleman that my colleagues and I have not been inactive and that the remaining stumbling block has been narrowed very considerably. If I am not mistaken—and I do not think I am, because I have had the kind of contacts which satisfy me that I am not mistaken in that regard—the only thing that remains now to be resolved is whether or not a determination as to what is required for proper safety in the use of diesel engines would be automatically binding on the union and on the company or would be just something that the union and the company would be obliged to take into account and to pay great respect to in renegotiating any agreement reached at the present time.

The union say, "If you ask us to sign an agreement that we will be bound by the finding, that is the equivalent of compulsory arbitration". I am not at all sure that their abhorrence of compulsory arbitration has not been stimulated by the attitude of the oppositions in 1950. However, it is an extremely real and sensitive matter with them. They tell me that they just cannot enter into an agreement that what would be determined after investigation as to proper safety requirements in the operation of diesel engines would automatically become part of or an amendment to the agreement they would sign to carry on in the meantime under practically the same conditions as those prevailing on the C.N.R.

The company have been equally adamant. They say, "If that is not agreed to, the thing will all have to start over again when the determination has been made by a proper judicial or semi-judicial body, and one strike is enough". My experience has been that when there has been one strike, those who have been parties to it are not anxious to have another one at an early date.

The conciliation board held public sittings, but the public was not concerned. Nobody paid any attention to what was going on before the conciliation board. If an investigation were made at the present time into the question of proper safety measures in the handling of diesel engines and proper measures to serve all the humane considerations that must be observed, I think the public would be vitally interested in that investigation. If, after that investigation, there was a finding—whichever way it went—that appeared to the majority of the Canadian people to be a proper finding on the investigation that they would be reading about, no one could withstand the effect. That would have become, by that kind of finding, the law of the country.

The members of the trade unions are good, loyal Canadians like the rest of Canadians and they would not go up against what had become, by general consent, the law of the country. The railway company has quite a creditable record since its establishment in this country. Even if it felt that the decision did not agree with its views, its experience and its knowledge of conditions, the railway company would not attempt to hold out against what had thus been established as a proper situation for the operation of diesel engines. No individual man would be obliged to work on a diesel engine if he felt that occupation was too dangerous. No attractive Canadian young lady must become a hostess on an aeroplane if she feels that this occupation involves risks that she should not take. But our attractive Canadian young ladies are not going to attempt to organize any union to force a different way of operating aeroplanes in Canada from the way accepted by the public as being the proper way. I am therefore not at all fearful that this strike is not going to become fairly soon a matter of industrial life history, and that there will not soon be a resumption of services. The less compulsion that has to be exercised in order to

bring about that kind of situation, the more fruitful, I think, the results are going to be.

Now, I do not think I should say any more about that. I enjoy pretty good personal relations with the labour leaders and with the officials of the Canadian Pacific Railway Company. I think both sides feel that I am trying to bring about the best kind of an outcome. I may have to come to the conclusion that it is not possible to agree to what I am suggesting, that they sign a temporary agreement to carry on under the same conditions as the Canadian National and await some other determination than the one that has been made by the board of conciliation as to the proper safety measures in operating diesel engines. But I think it is still just a little bit premature to resort to compulsory measures, and I hope we will not have to resort to them at all.

I do wish to join with the Leader of the Opposition in expressing deep regret that Right Hon. Sir Anthony Eden felt he had to ask our beloved sovereign to relieve him of his responsibilities as Prime Minister of the United Kingdom. Of course the affairs that have to be dealt with and that become the responsibility of those who are in office, and I include the office of the Leader of the Opposition in that, are heavy responsibilities and do take quite a toll of those who have to carry them. We thought Sir Anthony had made a wonderful recovery after his serious condition of two and a half years ago when he had to undergo such a grave surgical operation. We thought his health had been fully restored. We also thought the health of the former leader of the opposition had been fully restored when he returned to this chamber after the serious attack of meningitis with which he had been afflicted.

I think this is an example to us all that we must do everything required of us in order to have the personal satisfaction that we have done our best, but having done that we should not feel that we should have been able to manage the affairs of the world. There is a course of events that no one human individual can change. When he has done his best to perform his duty toward what he would consider a proper course of human events I think he should, without allowing it to undermine his vitality, be prepared to accept the results that most of us believe are part of a general design for the affairs of the world that is attributable to a power infinitely greater and wiser than any one of us.

It sometimes happens that these conditions, without any fault of our own, do develop. We all share with, I am sure, the people of the United Kingdom, regrets at what seems to be I hope not an end but a serious alteration in the kind of service Sir Anthony Eden can render to his fellow citizens. We hope for him, as we hope for my hon. friend's predecessor, that before long Sir Anthony's health will be such that he can resume service which has been so outstanding and so distinguished over so many years to the people of the United Kingdom, and because of its value to the people of the United Kingdom, so valuable to all the other nations of the commonwealth.

Mr. M. J. Coldwell (Rosetown-Biggar): May I join in congratulating both the mover (Mr. Hanna) and seconder (Mr. Robichaud) of the address. I think generally the house has been very fortunate over a number of years in having the address moved and seconded in a very satisfactory manner, and this year was no exception.

Before commenting at any length on the speech from the throne I should like to indicate what my objective is in making the comments that I am going to make. Some mention has been made, both in the House of Commons and outside it, regarding the responsibility of an opposition party. Some suggestion has been made that when the government has apparently abdicated its responsibility and refused to reveal its policies on particular matters, especially when those matters affect the national well-being, the opposition should adopt exactly the same kind of method. This, I noted, was the position taken by the Leader of the Opposition (Mr. Diefenbaker) outside the house last night, and I noticed that it was the position taken again today in parliament.

Now, I could not disagree more with that position than I do. We in this group do not intend to remain silent until the government has announced its policy. We do not intend to be in the position of merely criticizing without having some positive proposals of our own to meet that kind of situation. Of course, the industrial disputes act could be amended, or new methods could be adopted by a conciliation board, and these points are worthy of our lengthy consideration. But they would not meet the immediate situation that confronts the Canadian people and the economy of Canada today. We believe that an opposition party worthy of the name must present to the Canadian people not only an alternative government, but it must present alternative policies that such a government would pursue. Anything less than that does not provide opportunities for the people of the country to make a real choice. We in this group have sought throughout the years to present real alternatives on any policy, that requires it, and

this I believe to be the traditional parliamentary attitude generally wherever parliaments like ours exist, and is consistent with the tradition in this Canadian House of Commons.

Having said that, let me turn immediately to the railway strike. There is no doubt that any dislocation caused by a shut-down of traffic on the Canadian Pacific Railway will become increasingly serious as time goes on if the present situation is allowed to continue. There is no doubt, therefore, that it is in the national interest that railway operations should be recommenced as expeditiously as possible while another attempt is made to settle the differences between management and the employees.

That, it seems to me, was the desire of the Prime Minister in his closing remarks this afternoon. But I think we should go farther than waiting, as he suggested. A request should be made to both parties to recommence railway operations immediately on the basis previously existing, without prejudice to the rights of either side, and such a proposal is indeed reasonable. I believe that the C.P.R. employees will agree to this proposal. Indeed, they have already indicated that they would do so in a statement they issued two or three days ago, on January 7 to be precise. So far the C.P.R. management has refused, and if that refusal is continued—indeed I think the time has come now—the only alternative is for the federal government to appoint a controller to take temporary management of the C.P.R. and direct the immediate resumption of operations while further negotiations are continuing. I reiterate that this should be done without delay.

It is becoming increasingly apparent that the principal issue involved is the question of the management's desire to cease the employment of firemen on diesel engines in freight and yard services. On that issue the main disagreement between the company and the union, or its employees, is the question of safety. Now, the safety factor cannot be ignored either by this house, by the company, by the union or by the country. We in this House of Commons have a definite responsibility to the nation to make certain that any change which may subsequently be put into effect should completely safeguard the interests of the public in every particular.

Because the determination of this factor is really a technical question, it is a matter that should be investigated by an impartial board of inquiry comprised of experts and technicians that would hear and study representations concerning the safety and other factors involved in the removal of firemen from diesel freight and yard locomotives. Indeed, the report of the conciliation board itself suggested some sort of survey after the proposed change had been made and in the light of experience gained. I believe it is the part of wisdom to conduct this inquiry first, particularly because the majority and minority reports disagreed on this point, and because of an obvious doubt even in the majority report which suggested that there might be reconsideration of the matter after a year's trial. I think we must take the doubts in the minds of the majority and the definite opinion of the minority into account.

The report of a board of inquiry such as we suggest should go to the mediation board thereafter appointed by the federal government, which would seek to mediate all issues remaining in dispute between the two parties, and seek to reach an agreement on the part of both parties. In the meantime, let me reiterate, the public interest requires the immediate resumption of the services over the C.P.R., and I believe it is the duty of this parliament to serve the public interest and to do indeed what we are suggesting.

Another important but separate problem never far from the minds of the employees of practically any industry you may name is the problem of automation. I am not saying that the problem of automation is specifically involved in the present railway dispute, but no government can stand idly by while the advent of this revolution in productive techniques creates certain crises in industry. There is no doubt that these new developments in production can be of great benefit to the community as a whole, but only if there is over-all planning to smoothly adjust the economy to the changes that are taking place or are anticipated. It is of little satisfaction to the worker if a magnificent new and technologically superior machine deprives him of his job and there is no other job to be found; nor is automation of much advantage to workers in industries, whether in factories, on the farms or in mines, if it deprives them of their means of life and of their markets.

Accordingly we think this is an opportunity for the federal government to consider this problem and no longer delay the appointment of a council comprised of representative employers, of trade unions, of government, of technical experts and other interests, to study and advise this house on the impact of automation, and to make sure that the new wealth that automation will make possible will be shared by all groups in the community. Intelligent approaches to all these problems should give authoritative advice on how best to promote the industrial, transportation and other changes involved in

new techniques without inconveniencing the community, as strikes do, or disrupting the community, which they also do, yet continuing the right of free men and women in a free society to give or to withhold their labour; for compulsion in this respect would destroy a fundamental principle of our democracy.

Having said that, Mr. Speaker, may I turn to other matters which should receive consideration in this debate on the speech from the throne, even if some of them are not mentioned in that speech. There is one overall assessment which we must immediately make, and that is the revelation in the speech from the throne of the refusal, or the incapacity, of the government to deal with the needs of the common man and the common woman in our country. Economic expansion in Canada is pointed to, and there has been great economic expansion, but there is no awareness that large groups of Canadians do not share in the benefits of this great expansion. Take the case of the old age pensioner. There is no indication that old age pensions will be increased, in spite of the continued rise in the cost of living. No responsible person today would claim that the present old age pension is anywhere near adequate. Bearing in mind the substantial surplus which the Minister of Finance (Mr. Harris) is indicating he expects to be able to report to this house when he brings down the budget, the refusal of the government to do anything for the old age and other pensioners can be described as nothing less than callous.

The same judgment applies to the failure of the government to indicate improvements in social welfare generally. The steady processes of inflation, for which the government must assume its share of responsibility, have filched away the real value of the social welfare programs that have been announced with fanfare from time to time by the government and put into effect unanimously by members in this house, or indeed so almost unanimously that one can say unanimously. Therefore, although the speech from the throne refers to what it calls the excellent program of economic development in Canada, there is no doubt that those who are ill, those who are unable to work any longer because of age, are not sharing in this prosperity, but instead find that as the statistics of production climb, their lot by relativity becomes more and more unhappy.

Nor is there a single mention of health insurance in the speech from the throne. By the rigid limitations the government has set on its hospitalization program it has made the proposals it offered last year into a political football, and has even further postponed the carrying out of a pledge first made by the Liberal party 38 years ago. The failure of the government to act with resolution in this matter is, I think, unsupportable.

May I say to the Minister of Citizenship and Immigration (Mr. Pickersgill) that while at the moment because of conditions that exist in certain countries we are able to bring to this country large numbers of desirable immigrants, yet one of the barriers hitherto against immigration to this country from the Scandinavian countries, the United Kingdom and other countries like them has been the lack of a comprehensive national health plan in Canada. I was told that authoritatively on several occasions when I was in northwest Europe during the autumn. When I suggested that we would like more people from the countries there I was told there were two reasons why we would not get them. One reason was, of course, that there was full employment, and the other was that the people understood that Canada had not social security measures which were sufficiently attractive to cause the people to emigrate to our country. In Britain I saw references to the lack of such measures here by people who had returned and who on one or two occasions gave their reasons for returning. After having been happy in Canada for two or three years illness came along and wiped out all their savings, and they had returned in order to get the benefits of the protection of the social security measures which they have there.

Health is one of the measures concerning which I felt there should have been discussion in this parliament even during the special session last November following the disposition of the international matters. I cannot adequately express my own disappointment that the government adjourned the session, thus preventing discussion on that occasion, nor can I adequately express my disappointment that when the speech from the throne came in there was no mention in it of national health insurance. I must say I expected it; in fact I was almost confident that something would be done in this regard at this session of parliament to at least bring proposals before the house so that when the provinces were willing and able to come under such a plan the plan would be available to them.

The speech from the throne also ignores the continuing chronic crisis in Canadian agriculture. The Prime Minister (Mr. St. Laurent) gave some interesting figures this afternoon but they do not meet the situation nor do they meet the criticism that there is

a chronic crisis in our agricultural economy. I have not ceased to deal with this in the house whenever the opportunity arose, but the government has rigidly refused to take the action necessary to enable agriculture to participate equitably in the benefits that the improvements in technology and other developments generally are bringing to Canada as a whole.

I know that even outside of the agricultural sector the gains in the economy are shared inequitably and unfairly but in agriculture, of course, the problem is more lasting and severe. I have only to read the financial sections of the daily newspapers to find concrete indications of the large increases in the profits of various corporations and the dividends that are being paid, increases that are not matched by the people who are, after all, the real and continuing producers of wealth whether they work in offices, in mines, in factories, on the farms or go down to the sea and fish. There is no doubt but that the cream of the so-called prosperity is being skimmed off by privileged groups in this country. I say to the Minister of Finance that there is something fundamentally wrong in the Canadian economy when in the midst of relative prosperity one of the basic industries of this country continues in a chronically depressed state.

Agriculture has suffered a severe and prolonged decline in its income, but it has not been as the result of lower production. This afternoon the Prime Minister produced some figures which I do not have but in 1955, the latest year for which complete statistics are available, the physical volume of agricultural production was actually higher than that of eight out of the 12 years between 1941 and 1954 and, indeed, as much as 30 per cent higher than in some years. A preliminary estimate indicates another increase in the index of farm production in 1956 as was suggested this afternoon; yet the real net income to the farmer in 1955 was lower than in any year since 1941 except 1954. I have the dominion bureau of statistics table before me which substantiates the statement I have just made. Indications are that the real net income in 1956 may be better, but not substantially better and certainly not better than in many of the years between 1941 and 1955.

It is a tragedy that in many cases the more successful a Canadian farmer is in giving the best of his talents to the production of food the lower becomes his income, his real return. As I have said, frequently the more successful a farmer is in increasing production and the more generous climatic factors are, the more serious the crisis he faces as far as income is concerned. Abundance in this economy is punished and scarcity is rewarded.

That, I submit, is a sense of values which indicates an outmoded economy. It is the sense of values of great monopolistic concerns which derive their profits from the economy of scarcity rather than the economy of abundance. I think we in this house do not immediately share that conception of such an economy; yet it is the economy that we permit to continue existing. So from time to time we find shivers of apprehension running through even my hon. friends of the Liberal government whenever reports come in of a big crop in western Canada or a heavy yield of apples in Nova Scotia or British Columbia, more potatoes in Prince Edward Island or New Brunswick or more cattle in some other parts of Canada. When Providence has been generous there is a crisis in the air; there is worry and concern instead of rejoicing; there is inaction instead of programs designed to distribute the bountiful gifts of Providence to the people who need them.

In other words the farmer is suffering a depression because in a world where many children—yes, even in some parts of Canada—do not get enough milk, there has been too much milk; because in a world where two-thirds of the people go to bed hungry every night, there is too much bread; because where many old age pensioners have not enough income to buy all they would like in the way of changes of diet there have been on occasion too many peaches, too many apples and indeed too many potatoes. We in the C.C.F. say that a society which is unable to turn abundance to the service of the people is morally bankrupt and the government that stands idly by deserves the strongest censure. I cannot for a moment accept the dictum of some so-called private enterprisers that an economy of scarcity is better than one of abundance, and that two loaves of bread can be of less real value than one.

We have suggested many changes in policy that should be made. Precious years have been lost when the government instead of opposing the world food bank at United Nations could have been fostering it. If they had done so and if that bank had come into existence, we would then have had an effective international program for the disposal of our so-called agricultural surpluses.

The government's price support program initially was a measure to ensure that farm prices would bear an equitable relationship to the cost of things which the farmer had to buy, but this has proved to be a sham and a deception in many cases. It is certainly better than nothing, but it has not even begun to meet the promise made by a Liberal prime minister in 1944. At that time our farmers were expending their energies to produce but

were taking perhaps lower prices than they might have got for the products they were producing, and Mr. Mackenzie King made this statement:

> If, to help win the war, the farmers are asked to accept a ceiling on prices, we believe they are entitled to a floor under prices to ensure them against an agricultural depression after the war.

I am not contending that we have the world-wide depression which was foreshadowed at the United Nations in 1945, or that that is what Mr. Mackenzie King had in mind, although it may have been. In any event he made that promise, and the fact is that today agriculture is a depressed industry. The agricultural depression is here and has been here for some time. We know now how quickly that solemn promise was forgotten.

Vigorous government action is needed to establish a parity price program for agricultural products to ensure a fair and adequate return for the produce of the farm, for the produce of our agricultural industry. A comprehensive plan of crop insurance is required. The P.F.A.A. is a good start, but I should like to see a comprehensive plan such as we have been advocating for the last 25 years.

Cash advances on farm-stored grain are needed and are warranted under the circumstances which now exist. National marketing boards should be established where requested by producers for all farm products entering into interprovincial and export trade. I am not advocating interference with provincial rights when I suggest that. Long-term commodity agreements and the acceptance of sterling in part payment for Canadian produce sold in sterling area countries are necessary. We could not accept full payment in sterling but we could accept part payment in sterling.

The Canadian government should announce a permanent national food and fibre policy which would have the objective of ensuring that the means of obtaining sufficient food and clothing for basic adequate standards would be placed within the reach of every Canadian, and that wherever possible temporary surpluses of agricultural commodities should be used as an important step toward feeding the hungry people of the world. I believe that by feeding the hungry people of the world, and by enabling them to feed themselves by the provision of machines and other aids, we can meet the threat of communism better than in any other way.

These are some of the elements of a dynamic policy to deal with Canada's agricultural crisis. There should be in effect a national farm policy which would attempt to integrate the production, price and distribution problems more effectively into the rest of the economy.

Other questions are of immediate concern to this house at this time. I have referred to the effect that inflation has had upon the purchasing power of the dollar since the end of the war. These forces are again reasserting themselves. All of us are aware that inflation benefits large corporations the most because profits rise more than anything else. On the other hand those who are on fixed incomes, like pensioners, find their financial position severely affected. The farmers' plight too is made even more severe by inflation. The farm price-cost squeeze is made even more evident and apparent. The government claims to be adopting certain measures to deal with these forces. It is asserted that certain monetary measures have been taken to influence the flow of credit in this country. How effective they are remains to be seen, but certainly the government is not exercising the positive role which is necessary.

It has long been felt that one of the prime functions of the Bank of Canada when it was originally set up by the Bennett government—incidentally, at the strong urging of the C.C.F. and those who organized this movement—it has only finally won the reluctant support of the Liberal government—was to perform just that function, in part at least. We have been told that one of the means by which the central bank can affect the flow of credit in the country is through the use of the rediscount rate. Yet we had the admission of the Minister of Finance during the special session that the rediscount rate is being determined practically automatically by the chartered banks.

Mr. Harris: I am sure I do not want to interrupt my hon. friend, but I understood him to say "by the chartered banks".

Mr. Coldwell: I did say "by the chartered banks," but perhaps it would be better to say by the situation which the chartered banks reflect in the country.

Mr. Harris: It is automatic with respect to the treasury bill rate.

Mr. Coldwell: If it is automatic with regard to the treasury bill rate then I do not think the statement made in the special session by the Minister of Finance was correct. I do not think it was correct and I believe he is saying something different at the present time. However, that is something we can check when I look up again what he said during the special session.

Mr. Macdonnell: He is saying the same thing, but he is wrong both times.

Mr. Coldwell: In any event the central bank was supposed to do what is not being done by the government at this time. I do not think any other conclusion can be reached but that the government is permitting the banks to determine the monetary policy of this country. Surely this has made of the Bank of Canada something of a shadow of what it was intended to be when this parliament passed legislation to establish it some years ago.

Let us see what have been some of the results of the policy which has been pursued. An increase in the interest rate bears most heavily on those sectors of the population least able to afford it. It has not restricted investment generally, but it has had the effect of sharply curtailing the funds available for housing and of sharply increasing the cost to thousands of people throughout Canada who had hoped to obtain the homes they needed.

The provinces and municipalities, too, faced with the heavy burden of extending public utilities and building more schools and hospitals, have found that a sharply increased interest rate has drastically increased their costs and their commitments. Many years ago we saw provinces inviting investors to invest in bonds yielding 5 per cent or better, and many municipalities were paying rates of 5 per cent or better. That is true again of many of the larger municipalities and some provinces, and I do not know what the smaller municipalities are going to do. These provinces and municipalities face an increasingly serious crisis.

Clearly what is called for is a series of selective controls directing investment into those fields most socially useful, and certainly housing, hospitals and schools should have the top priority in this field. We have long advocated, and it was in the Liberal platform for several elections, that we should establish a national investment board to achieve what I have just suggested. We should not permit the planning of development of this country to be done on the basis of the ability of people to pay a high interest rate. I do not think that is a proper or fair method to employ.

There is another problem that has been completely ignored by the government and which was touched upon this afternoon by both the Leader of the Opposition and the Prime Minister. That is the phenomenally large deficit on current account of $1,002 million that Canada has in its trade balance for the first three quarters of 1956, as compared with $437 million for the same period in 1955. This deficit has been met—and again the Prime Minister indicated this this afternoon—only by the heavy inflow of United States funds for investment in this country. We are put in a dangerous position by this situation. The government may think we now have little to fear. It may be inclined in its complacency to postpone taking the decisions that must inevitably be taken. Canada's trade cannot forever be balanced by this import of capital. The time will inevitably come when the inflow will decrease or the payment of interest and dividends on these investment funds will exceed the amount coming in. That is the time, possibly some years hence, perhaps sooner than we think, when the people of Canada will regret the failure of its government at an earlier time to take the steps necessary to place Canada's trade in a more stable position.

Our failure to develop better trading relationships with the commonwealth countries will, I believe, bring serious results. It is one of the factors, I am sure, that is causing Britain to look for closer association in the new system of trade which has been talked about a great deal in western Europe. That development, if Canada does not enter into special relationships with it—and we should make efforts at this early stage to ensure that we do—may very well leave our trade even more concentrated in the United States market with all the implications that threaten the independence of action of the Canadian nation even in political affairs as well as development. I realize that this European system will take some time to put into effect, but I feel that Canada should now be considering the possibilities by which we can be associated with it when it comes into effect.

I have always regretted that the Canadian government did not press more strongly for the establishment of a permanent international trading agency within the United Nations after the war. The international trade organization envisaged then was to bring to reality the vision of practical planning on the international level. The international trade organization was to deal with tariffs. It was to deal with commercial policy, economic development, commodity policy and, of course, cartels and agreements of a similar sort. Had Canada and other countries pressed more strongly for some such agency I believe Canada's trading position would be healthier. Canada should continue to work for some such system, but in the meantime there is no excuse for not having adopted such planning in our trading policies as has from time to time been suggested from this corner of the house.

Lest I forget it before I conclude what I wish to say, I should like to move, seconded by the hon. member for Cape Breton South (Mr. Gillis):

That the amendment be amended by inserting therein, immediately after the words "the rights of parliament", the following words:

"and by reason of their failure to announce legislation establishing a comprehensive and nation-wide program of health insurance, with provision for provincial participation."

I have been critical of what the speech from the throne contains and perhaps more particularly of what it does not contain. However, in conclusion I want to change the tune a little and commend the government for some of the things that are in the speech from the throne. I am glad indeed to see that it foreshadows financial aid through the provinces to the municipalities. I am very glad to see that aid is to be given to the universities that will participate in the plan, and like others in the house I regret that one of our great provinces has not seen fit to accept what I think is a proper offer of assistance to our universities from the government of Canada.

I think it is being more clearly shown from day to day and, indeed, was indicated in the example the Prime Minister gave in his speech this afternoon of the co-operation between the two language groups, that there is no desire to interfere with the control under the constitution of those matters that are placed within the right of the provinces. I was very happy indeed to see this provision in the speech from the throne and to note that at last something is going to be done for our universities.

I am also glad to note that a Canada Council is to be established. I have long felt that we could do much in this country through a Canada Council to promote scholarships. However, I do not think that what is suggested is in any way adequate, nor will the grants to the universities provide adequate funds to do what is needed for our young people in order to provide them with the opportunities that I found—I say "I found"—are afforded to young people in the United Kingdom and some other western European countries to achieve the educational training and standing that will enable them to play a decisive part in their countries.

I was happy to see, too, that a committee is to be set up in the other place to study land utilization. I hope they will not overlook irrigation, and I hope they will not overlook flood areas that need to be drained. Particularly do I hope they will not overlook the South Saskatchewan river plan, which I believe would be of a great benefit to a large area within one of our prairie provinces.

Having said these things, Mr. Speaker, I see that my time has just expired. I hope I have made at least some contribution to the discussion, and with that I am going to leave it at this time.

Mr. Solon E. Low (Peace River): Mr. Speaker, before I begin my comments on His Excellency's address I should like to offer my sincere congratulations to the mover (Mr. Hanna) and the seconder (Mr. Robichaud) of the address in reply to the speech from the throne. I commend particularly the hon. member for Edmonton South, whose speech in my judgment was informative, moderate in tone and statesmanlike in quality.

In my judgment, Mr. Speaker, the speech from the throne is almost barren of any proposals offering relief for the average Canadian from the harassing problems which have been hounding him during the past several years. The little man has been almost completely forgotten by the government, unless it can be argued that providing him with culture is an achievement worthy of being called relief. I can hardly appreciate the government's concern about providing culture to the Canadian people while those same people are allowed to languish under a dog eat dog policy that keeps them worried stiff and in the grip of fear from one week to another, fear lest their incomes may not be stretched over the needs of food, clothing and shelter. I believe, I think as much as does anyone in the house, in encouraging cultural pursuits for all Canadians, but there are such things as priorities. First I think we should do something to bring old age pensions, war veterans allowances and like social security measures into line with prices as they have risen in this country.

I very much commend the government for its decision to appropriate a further amount of money to be distributed by the Canada Council for assisting our Canadian universities in some of their construction projects. The Canadian universities have been having a fairly hard time. It is also worthy of commendation that the government is preparing to double the annual grants to the Canadian universities, and that these increased funds will be paid to the National Conference of Canadian Universities to be divided by them amongst the recognized institutions of higher learning. That is something it seems to me can be classed as a worthy project and one which, if the appropriations are substantial enough, will bring much-needed relief to the universities that are overcrowded and understaffed at a time when enrolments are rising swiftly.

However, if this provision to help the universities could be accompanied by some substantial measure of help to worthy students through scholarships and bursaries, and extended into the high school area, then it would seem to me that we would be making the kind of progress in higher education that is so much needed to meet the challenge of these times. In the judgment of any Social Crediter, no monetary consideration should be allowed to stand between any capable and determined student and the greatest measure of higher learning that he wishes to attain. Our country is always richer and better off every time our universities and high schools turn out a truly educated and skilled Canadian.

I must also commend the government for the proposal to increase the federal grants to provincial governments in aid of technical and vocational training. I support all these proposals wholeheartedly, and I urge the government to be generous in the amounts they provide in each case.

I should like to say just a word about that section of His Excellency's address which deals with the entrance into Canada of Hungarian refugees. I think the government did well to send the Minister of Citizenship and Immigration over to Europe to study the situation at first hand so he would know exactly what to do about relieving Austria of the extremely heavy burden of looking after the refugees who had gone across the border into that country. His personal appearance on the scene in Europe will also help decide how far Canada can go in helping to relieve the suffering of these patriots who have demonstrated that they love liberty even more than they love life.

Canada is short of labour. That is one of the reasons given for rising costs of living and of materials. We in this country need skills of every kind. It would therefore seem to me to be foolish in the extreme to be too selective at a time like this about our immigration. We should receive into Canada as many of these patriots as we can possibly integrate into our society, using care only to screen out any possible subversives. In addition to that, since many thousands of Britons are now making application for permanent entry into this country, we should do everything we can to provide them with transportation to Canada on an equal basis with the Hungarians, and to provide employment for them when they get here.

I hope the government is stretching every resource in both of these worthy projects. I know that it is going to tax our housing accommodation to the very limit temporarily, but I am also sure that the Canadian people from one end of this country to the other will respond wholeheartedly to the government's appeal for assistance in providing the new immigrants with homes. Canada needs to increase her population as rapidly as it is safe to do so. Some of our problems will never be solved until Canada has 25 million, 30 million or 35 million people.

Having said those things I now return to something I said to begin with, namely that the speech from the throne hardly mentions any one of a dozen or more serious problems that are besetting the Canadian people and have been giving them trouble for quite a long time. To be specific, may I say that I was amazed that the speech gives only passing reference to one of the worst tragedies that has struck our country for a long time. I refer, of course, to the Canadian Pacific Railway strike. A great deal has been said this afternoon about it. I was not at all satisfied with either the contribution made by the Leader of the Opposition or that made by the leader of the government. It is tragic in the extreme, it seems to me, that at this time of year, in the dead of winter, the wheels of the great Canadian Pacific Railway should be brought to a full stop.

It must be remembered that in many important parts of our country the Canadian Pacific Railway has had almost a total monopoly on transportation for many years. The whole of the southern part of my province from Calgary south to the international border is served by only one railroad, namely the Canadian Pacific. There are a good many communities in that area and in other areas in Canada, including the maritime provinces, that are running dangerously low in their supplies of fuel and food. Wheat and livestock are not being moved. Hence the farmer's chance of getting even a small supply of cash with which to meet his living costs has been utterly destroyed. The farmer has already had to carry a much heavier burden than he ought to have been called upon to carry, considering the tremendous contribution he has made to the economy of this country for so many years.

I think the grounds on which the strike was called were rather slim, and certainly not important enough to justify the complete tie-up of the whole Canadian Pacific system. I am not trying to direct the blame against either the labour unions or the railway company. Undoubtedly the union people fear the results of automation. This alone should indicate to the government how important it is that some new policy be adopted which will guarantee the distribution amongst the consumers of Canada of an adequate supply of purchasing power in spite

of any rapid extension of mechanization and industry. The government has not done anything whatever to modify its policy to meet this growing trend toward automation which is bound to dislocate the labour forces of Canada, at least in its first stages. In the long run automation, in my judgment, will be a blessing to mankind; but for some years it could easily be a grave threat to security and a cause of fear unless steps are taken to make up for the lack of consumer purchasing power which will result from the process—that is, to make up that shortage—by a direct issue to the consumers of this country.

It is absolutely imperative, in my judgment and in our judgment here, that the railway start running again as quickly as possible. The first responsibility of this parliament should be, by whatever means lies in its power, to get the C.P.R. into operation. At the same time the outstanding matter of dispute between the railway and the firemen and engineers should be referred to a commission for study. That commission should, as quickly as possible, investigate every angle of the situation, and particularly the safety factor in the operation of freight trains and yard engines; and when the commission's decision is handed down it should be considered as binding on both parties. It seems to me that there is too much inclination to try to maintain the status quo at all costs. In matters of this kind there must be a disposition to find the right answer even if it means some compromise.

In the United States I understand that they have a board or commission that is called the presidential fact-finding board. I understand that board can be used for just such cases as we now have in our country. When the board is named, I understand that no strike is permitted. In other words, let the men go back to work. Then, the board must get busy at once and complete its investigation within a specified period of time. If I am not mistaken the board's decisions, when handed down, are considered final and binding upon both parties. I only point that out to indicate that there is a precedent in other countries for such a commission or board as has been suggested. I am certain that something will have to be done as soon as possible to get this railway running, even if it means the appointment of such a board.

I think the railway are to be commended for trying to discover ways of cutting down costs and effecting savings wherever they can. They are placed in a most difficult position. On the one hand the Canadian people, especially those in the western provinces that stand at the very peak of the freight rate structure, are demanding a reduction in the heavy and discriminatory freight rates that exist. They point out that since 1945 these freight rates have more than doubled. The farmers, especially in western Canada, are forced to pay freight costs both ways, on the goods they buy that come from eastern Canada and on the goods they sell that go to the head of the lakes or to the seaboard. You cannot blame them, therefore, for demanding lower freight rates, and in turn if they demand lower freight rates the railway must effect savings. Who is to say, therefore, that the railway is wrong in trying to effect these savings?

According to western Canadian thinking the government has been seriously lacking in courage in connection with this whole strike from the beginning. Certainly the government has not shown very much disposition to get the railway running again; that is clear. It is clear also that the nearness to a general election has made them timid and diffident in dealing with a situation like this. This is a time for courage and vision. I am positively certain that there were ways and means during the past few weeks by which the disastrous work stoppage on the Canadian Pacific could have been avoided, but it was not avoided and somebody has to take the responsibility for it. As I said, the important thing now is to get the railway running again, and Social Crediters are prepared to back the government in whatever measures may be taken to accomplish that end and to provide for a thorough study of the dispute outstanding between the two sides. Let me also say that when a mutually satisfactory commission does hand down a decision, that decision should be binding on both parties.

We must not follow any policy, Mr. Speaker, that will deny to industry the opportunity to improve its processes and give better service to the Canadian people at lower cost; that is fundamental to our thinking. The future and its needs are going to demand improvements in all our industrial processes and lower costs. Certainly it can be said with perfect truth that the technological advances that have been made over the years, and that are now being made, are not resulting in the reduction of costs to the Canadian consumer. There is a reason for that, and we ought to find that reason and correct it. Automation is fast replacing labour in many fields. It is going to be necessary for labour to find employment in other fields. This in itself gives rise to considerable fear on the part of the working man. There is a fear that the Canadian Pacific Railway, for example, may be inclined to place the names of presently unneeded workmen on the call board along with many

other names, and that it will become a stagnant board with a great many names and few calls for some of the persons whose names are on that board. That is a real fear on the part of railwaymen.

There is a fear also lest they be cut off with no jobs at all. A suggestion has been made that in cases of this kind, and for those who may be affected in the future, certain financial assistance should be extended for a period of six months or until such time as the displaced workmen can be absorbed into some other industry. Perhaps though, with a provision of that kind, some effort should be made to provide training for the displaced workmen so they can readily find employment in some other field. Those are suggestions that can be considered and will have to be considered as the months wear on and more mechanization comes into our industry.

Now, Mr. Speaker, I should like to turn for a few minutes to some of those problems I mentioned that have been harassing Canadian people for a long time and from which little or no relief appears to be indicated in government policy in the speech from the throne. I think the one which most plagues the Canadian people as a whole and which causes them more distress than anything else is the continuously rising cost of living. Recent announcements from the bureau of statistics show that the cost of living index stands at 120.4 in terms of the new method of expressing it. This is an all-time high. When it is converted into terms of the pre-1949 index, in December it would have stood at 193.4, that is in relation to 100 for the 1935-39 period. The speed with which the index rose during the autumn months of 1956 startled the Canadian people. Most of the people with whom I came into contact in travelling across the country expressed alarm at the prospect that they feared we would have to expect for the next six months. There seems to be every evidence now that nothing we can do will prevent a further rise of several points in the cost of living index between now and July of this year.

There is not a single word, however, to be found about that situation in the speech from the throne. You would think the government would have something to say about a matter as important as that, impinging as it does very heavily upon the welfare of the people. I do not wish to attempt, by any means, to throw all the blame for the situation on the government. I know there are many factors entering into this increasing price and cost of living structure. But the people of Canada will judge the government on its policies, and of course they will do that within the next few months when the government goes to the country in a general election. There is no doubt in my mind, however, that government policy has not only failed to come to grips with the problem of the rising cost of living and provide relief for the Canadian consumer, but actually government policy has contributed to a great extent to the spiralling of costs. The government is inclined, of course, to shrug off the whole nasty situation by saying we are suffering from inflation caused by an unprecedented rate of capital expansion. There is some truth to that, of course, but only some.

It is generally conceded, Mr. Speaker, that inflation means too much money chasing after too few goods. Now, in the light of that is the present situation in Canada real inflation? I want to examine that for just a moment or two. First let us take a look at the supply of goods available to the consumers of this country. The September, 1956, statement of inventories, shipments and orders in the manufacturing industries issued by the dominion bureau of statistics contains some very interesting tables. I want first of all to look at this table found on page 4 of the report, where one finds estimated the stocks on hand for every month from January, 1952, to September, 1956. The table shows that the total of all inventory held by manufacturing industries in Canada as of September, 1956, was $4,578,805,000. That was the highest total inventory of any month certainly since 1952, and I am satisfied that if I could get all the facts going back over the years I could venture to say the highest in Canada's history.

Of this total inventory held by the manufacturing industries there are three divisions; raw materials, goods in process of manufacture, and finished products.

Mr. Blackmore: May I ask what month that is for?

Mr. Low: I said September, 1956. In every one of these three divisions the total at September, 1956, was considerably in excess of the total in any preceding month except for a $5 million decline in raw materials from August to September of 1956, but that is a negligible amount and it can be attributed to the seasonal changes in arrangements. There is also a slight decline in the goods in process from June, 1956, to September of the same year, which again is negligible. Both of these can be attributed, as I said, to seasonal fluctuations, which are only natural. The general trend has been continuously upward, and we now have on hand in Canada over $4½ billion worth of goods held by the manufacturing industries of this country.

Now, in the consumer goods industries the total inventory at the end of September of 1956 reached $1,093,138,000, a total that is higher than at any other time since 1952, and very likely higher than at any previous time in our history. A similar statement can be made of perishable goods. In petroleum and coal products the inventory at September last was the highest in history. In electrical supplies, although there was a slight decline in the three months from July, 1956, to September, yet the inventory at September, 1956, was $15 million over that for December, 1955, and $133 million over that for January, 1952.

Even in the iron and steel products industries the total inventory at September was $841,666,000, a figure greater than at any time since 1952. There was some decline in the finished products division of this particular industry, but both goods in process and raw materials on hand were greater in value than at any time since 1952. And this is the particular division where this country is supposed to have the serious shortages. The figures successfully dispute that claim.

I will not weary the house with many more figures, but I think I should say just a word about the capital goods industries lest someone here finds reason in that section to claim that we are actually suffering a shortage of goods. The total inventory in the capital goods industries at September, 1956, was $391,335,000, which is greater than at any time since 1952, and very likely the greatest of all time.

Let us turn for a moment to the money supply of our country, which is the other angle to the situation. The total money supply in 1954 was $11,276,900,000, while at September of 1956 it was $12 billion, in round figures. This shows a very small increase in the total money supply available to the public with which to buy a very greatly increased production. Let us not forget that at September, 1956, our gross national production was running at the rate of $29 billion a year, while in 1954 it reached only about $25 billion.

Mr. Harris: Twenty-six and a quarter billion for the year.

Mr. Low: That was 1955.

Mr. Harris: I beg your pardon; yes, it was 1955.

Mr. Low: It was running at approximately $25 billion in 1954. I think I am quite right. In the light of these facts it is perfectly clear to me that the present high cost of living cannot be blamed on real inflation, too many dollars chasing far too few goods. Especially is this conclusion given real backing when we consider that there has been a slackening off in production in certain much-wanted goods in this country. That slackening off has reached quite serious proportions in the last six months.

I was attracted to an article that appeared recently in the Calgary *Herald* concerning a great industry in this country. It appeared in the issue dated October 25, 1956. The heading of the article is "Lay-Offs Hit B.C. Lumbering". This is the pertinent story:

> Labour and management officials in the British Columbia timber industry have forecast widespread unemployment in the industry this winter.
>
> Both groups agreed it would be "the worst winter since the war" and some said unemployment might spread to other industries.
>
> International Woodworkers of America expect to have 1,200 men out of work by mid-November. Already nearly 800 have been laid off.

That was back in October. There are more than that now. The article goes on to say:

> "I cannot remember losing 1,200 men in such a short time", an I.W.A. official said.
>
> "In nine years experience I have never seen so many men looking for work as there are now."

Further on in the article, Mr. Speaker, we find the following:

> Officials agreed that sawmill workers will be hit first.
>
> Two reasons given for the expected slump are:
>
> Attempts by the government to control inflation by clamping down on new home mortgages, thus reducing the demand for new houses.
>
> High shipping costs which have caused the United Kingdom to reduce orders from Canada and start buying more common grade timber from Russia and the Baltic countries.
>
> A spokesman said the industry will have to consider asking Ottawa to lift the mortgage restrictions.

I point that out only to indicate the truth of what I said a moment ago and to give backing to it. At a time when we are actually slackening off production in the country, not only in the lumber industry but in certain others, how in the name of common sense anyone can cling to the old story that we are suffering real inflation I cannot understand.

There is another fact, Mr. Speaker, which I think we all ought to take into account as we consider this particular subject of the cost of living and what to do about it. The dominion bureau of statistics figures indicate clearly that in 1955 the Canadian people piled up a total of $26,600 million worth of goods and services. I think that was the figure mentioned a moment ago by the Minister of Finance. In that same year, 1955, the distribution of purchasing power amongst the consumers of this country fell so far short of being enough to enable the Canadian people to buy and consume what they had produced, if they wanted it, that they were forced to run charge accounts, to buy on instalment credit and to borrow in the form of cash personal loans from the

banks and small loan companies the staggering total of $2,600 million. These are the facts as supplied by the dominion bureau of statistics. In other words, the Canadian people in 1955 had to mortgage future incomes to the extent of more than $2½ billion in order to be able to consume the goods they had produced. Does that indicate, I ask you, Mr. Speaker, too much money chasing after too few goods? I maintain that it shows just the opposite and the situation for 1956, when all the facts are in, will indicate a similar picture, if not one that is worse.

What, then, is causing the continuous increases in prices and in the cost of living? It certainly is not inflation, according to the accepted meaning of the term. Economists are finding it necessary to coin new phrases and terms to describe it. They are calling it a wage-price spiral. This spiral was set in motion on the one hand by the government itself in its demands for manpower and materials. It is competing with private industry for both manpower and materials that are available. It is true that the one real shortage we find in this country is in certain types of labour, unless one calls a lack of brains and vision on the other side of the house a shortage. I think perhaps that will have to be considered, brains and vision to meet the situation as we face it today.

An hon. Member: And courage.

Mr. Low: And courage. We in the opposition for quite a number of years now have been urging the government to take swift and sure action to guard against the contingency that is now arising. In fact it is getting worse from day to day. We have advocated a far more realistic immigration policy that would increase the labour supply in those divisions where a shortage was indicated, or was developing; but the government did nothing about our proposals, or very little. The people of Canada will undoubtedly have this in mind when they weigh the government in balance in the next few months. There is no doubt that if courage and vision had been exercised since the war the present wage-price spiral would not have developed.

When that spiral began to assume serious proportions it appears that the government became panicky; they budgeted for a revenue surplus for this year to restrict the money supply. That surplus will likely reach more than $300 million by the end of this fiscal year. Moreover, the government and its agencies together took monetary action to bring about a blanket restriction of credit. The government have been exceedingly evasive about what they have done in this field thus far. They have refused to give the house the information that it requires to properly assess the situation.

The fact is, however, that this government has established a short term treasury bill rate of around 3½ per cent, which unquestionably has been the snake in the grass in this whole rise in the interest rate which has had such undesirable effects upon our whole economy. The Bank of Canada quite properly felt it could not maintain a rediscount rate lower than the government's own short term treasury bill rate. The chartered banks then used this rediscount rate as an excuse for increasing the general interest rate to borrowers, and as a matter of fact they were encouraged to do so by the central bank and the government. In addition they were required by the central bank to maintain a special 7 per cent cash reserve over and above the 8 per cent normally required by the Bank of Canada.

This over-all credit restriction in itself has contributed to the wage-price spiral, in that it has imposed much heavier costs upon producers who have had to borrow for production purposes. It has been highly discriminatory right from the beginning. The big industry has had no trouble whatever getting the money it needed, and it is not having too much trouble today. However, the smaller industries, the little men, have been hardest hit and many of them have been forced out of business. Those Canadian people who have been trying to get homes for themselves—the little people again—have found it impossible during the past six months to borrow in order to get roofs over their heads. The home situation in Canada is serious and will likely be much more serious as the days go by and we bring in more immigrants. The small merchant, the individual enterpriser who has actually been the banker for many of the communities in Canada, has been forced into a desperate position as a consequence of the credit squeeze. The farmer has also been put in a very bad position.

I am sure that with enough time at my disposal it would be easy to prove that the over-all credit control effort by this government through the use of the discount rate and restriction of loans has been unjustified, has been wrong in principle and most ineffective. What the government has done in this respect has been likened to burning down the barn to kill the rat. Selective credit controls under the circumstances would have been perfectly justified and far more effective, selected in those areas wherein the trouble lay. Why in the world make everyone suffer because of those particular difficulties? But the government has not looked at it that way. The

blanket credit control program put into effect by the governor of the Bank of Canada has discriminated against the little man, the individual enterpriser and the municipalities and provinces that have been so seriously affected by the government's policy.

The government ought to have learned that the mere tightening or loosening of the total volume of credit is not a cure-all for economic fluctuations. Over the years it should have been clear from our experience that the disastrous business cycle can be levelled out only through interrelation of government spending, taxes, savings, and investments, income, employment and money supply. If we are going to try to operate a full employment policy, then we must begin to bring our whole money system under the most careful and scientific management, not to leave it to Joe over in the Bank of Canada to set the policy and then follow along like a blind turkey. If we are going to try to operate with that full employment policy then we must bring our entire money system under close scrutiny and careful and scientific management.

I believe we now face the absolute necessity of the early appointment of a national finance and economic commission answerable directly to this parliament. Then this parliament should lay down for it a policy in specific terms and clothe it with authority to manage that policy. Nothing points out more strongly the real need for such a commission than the events of the past 14 or 15 years. In his state of the nation address last Saturday President Eisenhower suggested that he would ask congress to set up a similar commission for the United States. We Social Crediters have been advocating for many years the necessity of having a finance and economic commission clothed with the responsibilities I have mentioned. It seems to me it is time we did so in order that our efforts may be properly co-ordinated.

Nobody likes credit restrictions, that is true. I do not like them. However, it might be necessary under certain combinations of circumstances to apply selective credit controls in those particular branches of our economy where the trouble actually exists. I oppose most strongly the government's blanket credit control policy because it simply is not working, and it hits hardest the small business, the little fellow, the best and steadiest taxpayer we have in this country.

I think there is a lesson for all in the experience we are having at the present time. It is true that total volume of corporation profits looks big; percentage-wise it may not be so impressive. However, when we see those swollen profits, rather than immediately demanding higher wages and salaries which can benefit only one section of the Canadian people at the expense of the others and at the same time force costs and therefore prices to go higher, would it not be better for us all to take the position that a fair share of those profits should be used to bring down costs and prices for everybody? It can be done. After all, it is not the level of wages and salaries that counts; it is the purchasing power we take home that matters. Our present inclination as a people seems to be to follow too eagerly the dog eat dog policy when for the sake of security and happiness we should follow the policy of live and help to live.

The rise in the cost of living can be successfully stopped without any serious interference with individual freedom, and it ought to be stopped; and the government must take immediate and strong action in this regard. However, the rest of us must be prepared to help; it is not a matter requiring only the effort of the government. I believe the federal government should allow a moderate increase in the money supply so as to bring down interest rates. That is indicated in every single aspect of our whole financial and economic situation. This moderate increase in the money supply could be used at this time to buy lower prices for the Canadian people through the use of the compensated price discount system which we have advocated for many years. Such a system will prevent increases in consumer prices but will not interfere in any way with adequate producer income.

I think, too, the government will have to be prepared to arrange for loans from the Bank of Canada to the provincial and municipal governments for those public works projects that are considered to be essential to the development of the provinces and their resources. These loans could be arranged at a rate of interest which would act as a stimulus for the downward interest trend that is so essential at this time.

I see, Mr. Speaker, my time is up. I have indicated only one of the harassing problems facing the Canadian people and with which the government is not coming to grips. I should have liked to deal with external affairs, agriculture and other important matters; there are at least 12 or 13 more. However, I am going to ask my colleagues to deal with them in the course of their contributions to this debate. They will be outlining the policies and program advocated by the Social Credit Association of Canada, and they will not be afraid to say positively what they would do in specific circumstances.

Let me say in conclusion that as a political organization in this country we place ourselves squarely and firmly on the side of the little fellow, the private enterpriser, the farmer, the small businessman, the Canadian consumer, and the home owner in the struggle for a better way of life, a freer way of life, under a policy of live and help to live that should apply within Canada as well as in our relations with other countries.

On motion of Mr. Cauchon the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, we will be going on with this debate tomorrow and Friday.

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

APPENDIX

STATEMENT AND DOCUMENTS RELATING TO RAILWAY STRIKE

Statement by Hon. Milton F. Gregg (Minister of Labour):

Mr. Speaker:

In view of the widespread interest in the causes and effects of the work stoppage on the Canadian Pacific Railway Company system, not only in this house but in all parts of Canada, I think I should place on record a statement of the events leading up to the cessation of work at 4 p.m. on January 2 last.

The collective agreements between the Canadian Pacific Railway Company (eastern, prairie and Pacific regions including the Quebec Central Railway and Dominion Atlantic Railway) and the Brotherhood of Locomotive Firemen and Enginemen, effective April 1, 1954, expired on March 31, 1956. Two months earlier, on February 1, the brotherhood served letters of notice on the managements of the eastern, prairie and Pacific regions of the railway and upon its subsidiaries for the revision of these agreements. On February 6 and 7, the company served similar notice on the brotherhood.

Representatives of the parties met in Toronto on February 21 and in Calgary on February 29 and negotiations between them continued up to April 18. On that date, the company requested me to establish a conciliation board to deal with the dispute and at the same time stated in detail its proposals for the revision of the collective agreements. On April 19, the brotherhood made the same request and likewise outlined its proposals for the revision of the agreement.

On the following day, April 20, 1956, I authorized a board of conciliation to be established and it was constituted as follows: His Honour Judge J. C. Anderson, Belleville, Ontario, chairman; Mr. Emmett M. Hall, Q.C., Saskatoon, and the honourable Senator Arthur W. Roebuck, Q.C., Toronto, nominees of the company and brotherhood respectively.

The brotherhood's proposals for changes in the collective agreement were as follows:

1. Increase basic rates of pay in all classes of service by 25 per cent. All arbitraries, differentials and special allowances to be maintained and increased accordingly. Increased rates to be effective April 1, 1956.

2. One full day's pay for each statutory holiday not worked. When service is performed during any part of a statutory holiday the entire day will be compensated for on the basis of time and one half the basic daily rate for the class of service concerned.

3. Allowable service for pension purposes will accrue on the basis of all time in service. The words "allowable service" will mean continuous relationships; absences for furlough or other reasons when seniority is unimpaired not to be deducted.

4. A fireman or helper taken from the seniority ranks of locomotive firemen shall be employed on all motor cars used in road service and propelled by diesel, electric, gasoline, electricity or other power, and operated under the uniform code of operating rules by an engineer.

5. Add to "mileage regulations": When a fireman is called for additional service out of his home terminal after he has attained the maximum mileage of 4,800 in passenger service or 3,800 in other service he will be paid at one and one half times the regular rate, double time where overtime is involved.

6. Revise article 5, clause b (2) eastern region, article 5, clause b (5) prairie and Pacific regions as follows:

In the event of a fireman being deadheaded to an assignment at a station auxiliary to the main terminal, he is to be paid deadhead mileage in both directions to and from the main terminal. When assignments or runs are bulletined and no bids are received for positions at auxiliary terminals the junior firemen on the spare board at the main terminal will be required to man the assignment and will be paid deadhead mileage going to and returning from the assignment or run. The provisions of article 29(q) will not be applicable to firemen who are required to deadhead from their home terminal to fill assignments or runs at points which are auxiliary to their divisional home terminal.

The company's proposals were as follows:

Firemen—System

1. Eliminate all agreements, rules, regulations, interpretations or practices, however established, which require the employment or use of firemen (helpers) on other than steam power, and establish a rule to provide that the company shall have the unrestricted right to determine when and if a fireman (helper) shall be used on other than steam power.

2. Eliminate all agreements, rules, regulations, interpretations or practices, however established, which provide rates of pay and daily earnings minima for firemen (helpers) on other than steam power, and establish a rule to provide that in instances where fireman (helper) is used on other than steam power a minimum rate of $7 per day of 100 miles shall apply.

3. Eliminate preparatory and inspection time arbitraries and provide that firemen

when employed will be paid for all time required to report for duty until released.

4. Provide for initial terminal time payments in road service to be used to make up a short day on the same basis as final terminal time is now applied.

5. Eliminate mountain and valley differentials.

The board held approximately 30 meetings between June 9, 1956, and November 25, 1956, all necessary adjournments in that period being made with the consent of the parties. The board's report submitted by His Honour Judge Anderson and Mr. Hall was received by me on December 18, 1956. A minority report submitted by Hon. Mr. Roebuck was received on the same date.

In summary, the report of the board contained the following recommendations:

1. That the diesel rules be amended to permit the company to operate diesel engines in yard and freight service without firemen, with the understanding that if as a result of actual operating experience it appears that in some circumstances the services of the firemen might again be required, a modification of the rule might again be necessary and would then become the subject of further bargaining at a time when another agreement is being negotiated.

2. That the company continue to employ all firemen who are at the date of the new agreement on the firemen's roster and who have passed their engineer's qualifications and/or attained three years of seniority as firemen.

3. That the company give an undertaking to the brotherhood not to seek, when future contracts are open, the right to release these firemen from employment or to transfer them to other employment with the company where their direct line of promotion would not be to engineer, provided that the brotherhood at the same time gives an undertaking to the company which would provide that if at any time in the future it should agree to allow the Canadian National Railways to release from employment any or all of its firemen or to allow that railway to transfer to other employment any or all of its firemen, where the direct promotion is not to engineer, it would allow the Canadian Pacific Railway Company to do likewise.

4. That the parties to the dispute agree to set up a joint committee to discuss, decide and put into effect all plans, rules, details and procedures necessary to enable the company to carry out the new diesel rule.

5. That the parties themselves discuss revisions of the present rules governing arbitraries relating to preparatory and inspection time and initial terminal time and that all mountain differentials be reduced to the amount of the valley differentials but that the valley differentials be continued.

6. That all wage rates applicable to miles, hours, overtime, arbitraries and special allowances be increased by 7 per cent effective April 1, 1956, and by a further 5 per cent effective June 1, 1957, and that the $4.25 per month per employee included in these increases subsequent to January 1, 1957, be in lieu of health and welfare benefits.

7. That firemen in yard service be granted six statutory holidays with pay.

8. That the pension proposal was clearly beyond the board's terms of reference.

9. That the present rule relating to the operation of Budd cars remain unchanged.

10. That the present rule governing mileage regulations remain unchanged.

In summary, the minority report recommended:

1. That the present diesel rule in the collective agreements be not changed.

2. That the company withdraw its proposal that firemen's pay on passenger diesel locomotive be reduced.

3. That all present arbitraries be continued and that firemen be granted statutory holidays with pay on the same basis as now applying to trainmen.

4. That a wage increase be granted as recommended in the report of the majority of the board.

5. That the mileage regulations proposals be negotiated by the parties on the withdrawal by the company of its major proposal, i.e., the removal of firemen on diesels in freight and yard service.

On December 20, my department was advised by the brotherhood that the recommendations of the board were not acceptable and on the following day, December 21, the company advised that it was prepared to accept and implement the recommendations of the board.

On the evening of Wednesday, December 26, a telegram (copy attached—Appendix "A") was received from Mr. W. E. Gamble, vice president of the brotherhood, advising that a strike vote by telegraph of the joint grievance committees of the brotherhood on the Canadian Pacific Railway Company, the Quebec Central Railway and Dominion Atlantic Railway, was unanimously in favour of strike action and that a withdrawal from railway service had been authorized, effective 4.00 p.m., January 2.

On Thursday, December 27, I discussed the whole matter with the Acting Prime Minister, Mr. Howe, and by telegram, I invited Mr. N. R. Crump, president of the company, and Mr. Gamble, Canadian vice

president of the brotherhood, to meet in Ottawa at 11.30 Saturday morning, December 29. (Copies attached—Appendix "B")

On Saturday morning and afternoon, December 29, the Acting Prime Minister, Mr. Howe, and I discussed the issues in dispute and methods of settlement with Mr. Crump and Mr. Gamble. The discussions revealed that the parties were adamant in their positions with respect to the employment of firemen on diesel locomotive in freight and yard service of the company. The company took the position that such employment was no longer necessary and the brotherhood was equally firm in holding that such employment was necessary both from the viewpoint of duties involved and the safety factor. The first meeting held on Saturday, was in the main exploratory in nature. No definite proposals were advanced by Mr. Howe or myself but the suggestion was made that the parties should consider a formula which would involve: (1) the union calling off the strike and the company withholding action on the removal of diesel firemen until: (2) a joint union-company committee with an independent chairman had given consideration to all aspects of the diesel issue: (3) in the meantime negotiations on other factors to continue. The parties were requested to consider this formula over Sunday and be prepared to discuss it more fully at the next meeting which was scheduled for Monday, Dec. 31.

The talks resumed at 10.00 a.m. on December 31 and, following morning and afternoon sessions, the Acting Prime Minister and myself announced that our efforts to obtain a settlement between the railway and the brotherhood had not succeeded. The discussions broke down on the diesel issue and both parties were unable to agree on the method by which this question should be resolved. Mr. Gamble stated that the brotherhood was willing to call off the strike and submit the diesel issue to a tribunal composed of company and union representatives, with an impartial chairman, the recommendations of such a body not to be binding on either party. Mr. Crump, for the company, on the other hand, desired that all issues in dispute be put before an impartial tribunal, for final determination binding on both parties.

Before dispersing, the parties were asked to give earnest consideration to the far-reaching and serious effects of the railway strike, more particularly in certain areas of Canada and on a large number of railway and other employees not directly affected by the dispute. At the same time they were advised that further mediation services would be made available if they were to reconsider their positions in the dispute.

On January 1, I telephoned both Mr. Gamble and Mr. Crump in order to see if they had altered their positions in any way and if the Department of Labour could be of further assistance to them but found no change in attitudes.

On January 2, the Acting Prime Minister addressed a telegram to Mr. Gamble and Mr. Crump (copies attached—Appendix "C") and received replies on January 3.

It had been made clear to both the parties to the dispute that the Department of Labour would be available if their services were required or in conveying any point of view from one side to the other, or for anything that might provide the basis of further negotiations.

The strike went into effect on 2nd January at 4 p.m.

On the afternoon of Friday, 4th January, I had a phone call from the president of the Canadian Labour Congress, Mr. Claude Jodoin, asking me where I might be reached the following day, Saturday. I told him I would be at my office.

Late in the morning Saturday, 5th January, I had a further phone call from Mr. Jodoin saying he had been having a meeting at his headquarters during the morning attended by his senior congress officials and by railway brotherhood officials. He asked if he and his two senior congress officers could come up to my office at once. I invited them to do so.

On arrival Mr. Jodoin told me that he was authorized to present a new proposal for settling the dispute.

Upon hearing this proposal I realized that it visualized a tribunal or commission of broader representation and scope than any that had been discussed by the two parties on the weekend before.

I reported this proposal to the Prime Minister and to the Right Hon. Mr. Howe on Saturday, 5th January.

The Prime Minister discussed the proposal by long distance with Mr. Crump in Montreal on Saturday evening.

Mr. Jodoin stated that he would ask the union leaders to remain in Ottawa over the week end or for as long as may be useful.

On Monday, 7th January, the president of the Canadian Labour Congress announced the Saturday proposals to the press, and sent me a copy of his press release thereon from which the proposal is set out attached in Appendix "D". On the same day the president of the C.P.R. announced that this proposal was not acceptable to the management.

Labour Conditions—C.P.R. Strike

On Monday 7th January Mr. Crump made his reply known through the press. (*Citizen* report of that date attached—Appendix "E").

This summary deals exclusively with communication with or between the two parties to the actual dispute.

APPENDIX "A"

CANADIAN NATIONAL TELEGRAPHS

MOA 269 32 FD Montreal Que 26 546 P 1956 Dec 26 PM 6 26

Bernard Wilson, Director of Industrial Relations Dept of Labour Ottawa

Telegraphic strike vote of general grievances committees BLFE on CPR QCR DAR unanimously in favor of strike action in current dispute with company. Withdrawal from service authorize effective four PM January Second

W E GAMBLE

CPR QCR DAR PM BLFE

APPENDIX "B"

CANADIAN PACIFIC TELEGRAPHS

Ottawa, December 27, 1956.

Mr. N. R. Crump,
President,
Canadian Pacific Railway Company,
Windsor Street Station,
Montreal, Que.

Due to urgency of railway dispute situation I am inviting Mr. Gamble and you to meet with me at my office Confederation Building at eleven thirty Saturday morning December twenty-ninth. Please confirm. I do not propose to give publicity to this invitation.

MILTON F. GREGG

CANADIAN PACIFIC TELEGRAPHS

Ottawa, December 27, 1956.

Mr. W. E. Gamble,
Vice-President,
Brotherhood of Locomotive Firemen & Engineers,
802 Castle Bldg., 1410 Stanley St.,
Montreal, Que.

Due to urgency of railway dispute situation I am inviting Mr. Crump and you to meet with me at my office Confederation Building at eleven thirty Saturday morning December twenty-ninth. Please confirm. I do not propose to give publicity to this invitation.

MILTON F. GREGG

Following replies received:

CANADIAN PACIFIC TELEGRAPHS

Montreal Que
December 28, 1956.

Hon. Milton F. Gregg,
Minister of Labor,
Ottawa, Ont.
C/) GTC RUSH

Will be glad to attend meeting your office 11.30 tomorrow morning (stop) from your wire I presume Mr. Gamble will not be accompanied by his negotiating committee

N R CRUMP

CANADIAN PACIFIC TELEGRAPHS

Montreal Que
December 27, 1956.

Milton F Gregg
Ministry of Labor
Confederation Bldg
Ottawa

Your wire today I am pleased to accept your invitation to meet with you and Mr. Crump at your office at 11.30 Saturday morning December twenty ninth

W E GAMBLE
B OF LF & E

APPENDIX "C"

The following wire was sent to the two parties Jan. 2 by Mr. Howe:

"Although Mr. Gregg and I are being inundated this morning with demands that the strike be stopped we know it is not necessary to emphasize again to you that the cessation of train service on the Canadian Pacific Railway Lines resulting from the withdrawal from service of the locomotive firemen scheduled to take effect this afternoon will give rise to very serious inconvenience and hardship to many Canadian communities serviced by Canadian Pacific Railway lines as well as serious disruption in movement of grain, fuel and other essential commodities. The action will also affect the employment of many thousands of railway workers not directly involved in the strike as well as of workers in other industries. In all the circumstances we strongly urge you to give favourable consideration to the proposal explored during our discussions namely that strike action be cancelled forthwith and that the diesel issue be separated from the other matters in dispute and submitted to an independent tribunal for disposition and that the parties continue negotiations for settlement of other issues involved in the contract dispute. Same wire sent to Mr. Crump (Mr. Gamble). I would be glad to have your reply."

The following reply was received from Mr. Gamble Jan. 3:

"Re your telegram today the brotherhood appreciates the gravity of the situation arising from strike action and gave careful consideration to its many serious implications before reaching decision to withdraw from service of the Canadian Pacific Railway stop Further it continues to bear in mind all the adverse effects that may result stop But in view of the several facts among them that the Canadian Pacific Railway is the only important railway of the North American continent refusing to withdraw those demands in the diesel issue and also refusing to grant locomotive firemen deserved wage increases the brotherhood cannot conclude otherwise than that the primary responsibility rests with the company stop May we restate our position: that the important wage issue be settled on a basis such as granted other railway employees stop We believe that an independent tribunal such as we discussed could render a valuable report on the diesel issue and we continue to be ready to work with such a tribunal in a thorough study of firemen duties and universal acceptance of them by others than the employer in this case."

The following reply was received from Mr. Crump Jan. 3:

"Refering to your joint wire date to Mr. Gamble and me regarding dispute between locomotive firemen and enginemen and Canadian Pacific Railway stop As you realise from our discussions in Ottawa Canadian Pacific is keenly aware of the hardship and loss that will be suffered not only by other Canadian Pacific employees but by the many communities served by Canadian Pacific as well stop To prevent this calamity Canadian Pacific is still agreeable that the diesel issue be submitted to an independent tribunal for final disposition and that other issues be settled by negotiations between the parties stop Operations could be resumed forthwith on this basis."

APPENDIX "D"

January 7, 1957.

On Saturday morning a delegation from the negotiating committee of the Brotherhood of Locomotive Firemen and Enginemen met with the three executive officers of the Canadian Labour Congress—President Claude Jodoin, executive vice president Gordon Cushing, and secretary treasurer Donald MacDonald. As a result of these discussions a proposal was developed by the C.L.C. with Labour Minister Gregg shortly before noon Saturday.

Mr. Gregg, in turn, conveyed the plan to Prime Minister St. Laurent who placed it before the company. The proposal was acceptable to the brotherhood. Since Saturday afternoon union representatives have been standing by in the hope that the company would accept and so enable the issuance of an immediate back to work order by the union. No such reply has been received.

The suggestion was:

1. The establishment of a commission to conduct a public investigation of all the effects of transferring firemen's work and responsibilities to other employees on all railways in Canada.

2. The commission would be composed of seven members. Two would represent the company's viewpoint; two the union's; and three impartial public members, one of whom would be chairman.

3. The commission would hold public hearings with full power to make on the scene study of actual operations and working conditions on all railways.

4. The commission would have until December 31, 1957, to make its report to the government.

5. The pattern of adjustments applied during 1956 to other railway employees in Canada would be offered to the B.L.F.&E. All other conditions of employment would remain unchanged.

The view was expressed by representatives of both the congress and the brotherhood that the type of commission and enquiry proposed would meet the need for further investigation. This need would not be served by an arbitration procedure. It would be highly improper to arbitrate matters of public safety, safety of other railway employees, and issues which have implications which will inevitably extend into the operation of all other railways. The universal nature of these issues is shown by the fact that the same demands made by C.P.R. were also voiced by the C.N.R. and all major railroads in the United States, but were subsequently withdrawn by all these railroads including subsidiaries of the C.P.R. in the United States.

Claude Jodoin, president of the Canadian Labour Congress, commenting on the proposal, said: "We have discussed this matter thoroughly with the brotherhood and they are quite in agreement with us that it offers a fair and reasonable solution to the current work stoppage. The union feels that the public is not now familiar with the actual facts and these could be brought out by a public enquiry of the broad and comprehensive scope contemplated in this suggestion. Acceptance of this proposal by the railway would mean that the way is immediately cleared for the resumption of railway operations. The hesitation of the company in accepting such a proposal is incomprehensible

in the face of the inevitable disruption which stoppage of railway operations is causing and on which the Canadian Pacific Railway has placed great emphasis in the past few days."

W. E. Gamble, vice president of the B.L.F. &E., expressed the brotherhood's gratitude to the Prime Minister, labour minister Gregg, and the officers of the Canadian Labour Congress for their efforts to develop a quick settlement of the dispute.

With Mr. Gamble were: John Graham, Montreal, B.L.F.&E. chief bargaining representative on the C.P.R., a member of the negotiating committee; A. E. Matthews, Parry Sound, Ont., B.L.F.&E. bargaining agent on the central region of the C.N.R., also a member of the national negotiating committee; and Arthur Garmaise, Montreal, counsel for the union.

APPENDIX "E"

"The solution suggested by Mr. Jodoin (Claude Jodoin, C.L.C. president) would not solve the diesel issue. It would merely postpone coming to grips with that issue and leave the country subject to renewal of the strike.

"Every question the union has raised on the diesel issue was considered by the conciliation board in public hearings. There is no new question to be dealt with.

"Mr. Jodoin's plan is not a solution of the diesel issue because:

"1. It fails to provide for final disposition.

"2. It would delay any possible settlement of the issue, to the detriment of the public, the railway and all Canadian Pacific employees.

"3. It would leave the country subject to renewal of the strike at such time as the Cleveland, Ohio, headquarters of the firemen's union might dictate.

"Sugar-Coated Version . . . "

"4. The C.L.C. plan is a sugar-coated version of the position taken by the firemen's union ever since the diesel proposal of Canadian Pacific was approved by the conciliation board.

"The essence of the C.L.C. plan was conveyed to me last Saturday. That evening I indicated to the Prime Minister in a telephone conversation such a plan was unsound because it did not provide for final disposition of the diesel issue. The plan was, therefore, unacceptable to Canadian Pacific and would be contrary to the best interests of Canada. I further indicated to the Prime Minister I would be willing to go to Ottawa to meet with him and other parties concerned in this dispute.

"However, in view of the adamant stand of the firemen's union, and my steadfast position as to the necessity for final disposition of the diesel issue, we agreed that such a meeting would not be useful under existing circumstances."

HOUSE OF COMMONS

Thursday, January 10, 1957

The house met at eleven o'clock.

INDUSTRIAL RELATIONS

PROVISION OF ANNUAL VACATIONS WITH PAY FOR EMPLOYEES

Mr. Stanley Knowles (Winnipeg North Centre) moved the first reading of Bill No. 2, to provide for annual vacations with pay for employees.

Some hon. Members: Explain.

Mr. Knowles: Mr. Speaker, the purpose of this bill is to provide that all employees who come under federal labour jurisdiction shall have at least two weeks' annual vacation with pay after one year's service.

Motion agreed to and bill read the first time.

PROVISION OF STATUTORY HOLIDAYS WITH PAY FOR EMPLOYEES

Mr. Stanley Knowles (Winnipeg North Centre) moved for leave to introduce Bill No. 3, to provide for pay for statutory holidays for employees and for pay for work performed on statutory holidays.

Some hon. Members: Explain.

Mr. Knowles: Mr. Speaker, the purpose of this bill is to provide that all employees who come under federal labour jurisdiction shall have at least eight statutory holidays with pay each year.

Motion agreed to and bill read the first time.

AMENDMENT OF CHAPTER 152, REVISED STATUTES OF 1952—VOLUNTARY REVOCABLE CHECK-OFF OF UNION DUES

Mr. Stanley Knowles (Winnipeg North Centre) moved for leave to introduce Bill No. 4, to amend the Industrial Relations and Disputes Investigation Act (voluntary revocable check-off).

Some hon. Members: Explain.

Mr. Knowles: Mr. Speaker, the purpose of this bill is to write the voluntary revocable check-off of trade union dues into the federal labour code.

Motion agreed to and bill read the first time.

CANADA ELECTIONS ACT

EXTENSION OF RIGHT TO VOTE AT ADVANCE POLLS

Mr. Stanley Knowles (Winnipeg North Centre) moved for leave to introduce Bill No. 5, to amend the Canada Elections Act.

Some hon. Members: Explain.

Mr. Knowles: Mr. Speaker, the purpose of this bill is to extend the privilege of voting at advance polls in federal elections to any qualified voter who finds he must be away from his constituency on election day.

Motion agreed to and bill read the first time.

ADMIRALTY ACT

PAYMENT OF SALARIES IN LIEU OF FEES TO SURROGATE JUDGES AND REGISTRARS

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

That it is expedient to introduce a measure to amend the Admiralty Act to provide that the governor in council may authorize the payment of salaries out of the consolidated revenue fund, in lieu of fees, to certain surrogate judges, not exceeding three hundred dollars per annum and to certain registrars for admiralty districts, not exceeding two hundred dollars per annum.

Motion agreed to.

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES ACT

AMENDMENT TO PROVIDE FOR THE ESTABLISHMENT OF TWO NATIONAL MUSEUMS

Hon. Jean Lesage (Minister of Northern Affairs and National Resources) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the Department of Northern Affairs and National Resources Act to provide for the establishment of two national museums in lieu of one, as at the present time, to be known as the Canadian museum of natural history and the Canadian museum of human history.

Motion agreed to.

Proposed Legislation

CANADA COUNCIL

PROVISION FOR ENCOURAGEMENT OF THE ARTS, HUMANITIES AND SOCIAL SCIENCES

Right Hon. L. S. St. Laurent (Prime Minister) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to provide for the establishment of a Canada Council for the encouragement of the arts, humanities and social sciences and further to provide *inter alia* that

(a) the Minister of Finance may, out of the consolidated revenue fund, pay to the council the sum of fifty million dollars to constitute an endowment fund for the purposes of the act, and

(b) the council shall establish a fund to be called the university capital grants fund, to which shall be credited the sum of fifty million dollars, to be paid to the council by the Minister of Finance out of the consolidated revenue fund.

Motion agreed to.

LABOUR CONDITIONS

CANADIAN PACIFIC RAILWAY—REQUEST FOR STATEMENT ON PRESENT POSITION OF NEGOTIATIONS

On the orders of the day:

Mr. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Prime Minister and ask him whether he would give the house and the country a statement as to the present position of negotiations as between the C.P.R. and the union officials and also an indication as to the nature of the plan which he submitted to them and which is now the subject of consideration.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I think it is preferable to say little at this time about the negotiations. They have been informal negotiations which I have found, not to my surprise at all but to my satisfaction, were perhaps more conducive to bringing about a feeling between the parties that an earnest effort should be made by them to overcome the narrow margin between their respective attitudes. The plan would be one to have the operations resumed at the earliest possible moment and to have them resumed on the terms of a contract that would be practically along the lines of the contract entered into between the same union and the Canadian National Railways last June for the period up to March 31, 1958, with a provision that the same diesel rule would be in that contract but would be subject to renegotiation in the light of the report of a board that would be set up by the government to investigate the aspects of the diesel rule that are not agreed to by both parties. The details that I trust both parties will find it in the interests of Canada generally to agree to are being discussed and worked out, and there would not be a reference until there has been the greatest possible measure of agreement by the parties as to what the terms of reference should be.

Mr. Diefenbaker: If I might ask a supplementary question, when was the suggestion by the Prime Minister in order to bring these two groups together in agreement submitted? Was it suggested at the time the Minister of Trade and Commerce and the Minister of Labour met with representatives of the C.P.R. and the union or was it submitted for the first time yesterday or the day before? Would the Prime Minister also say what he means, and what he meant yesterday, when he stated there was only a slight margin of difference between the parties? What is the margin of difference to which he referred?

Mr. St. Laurent (Quebec East): It is the same suggestion that was made at the first meeting of the Minister of Trade and Commerce, as acting prime minister, and the Minister of Labour with the parties on the last Saturday of the year. It has been discussed and certain aspects of it have been the subject of suggestions by both parties that would imply some variation in the details. I feel convinced that the only point at issue now is whether there should be a contractual undertaking by both parties to accept and write into their modified agreement something that would be in conformity with the findings of the investigating board appointed by the government.

I am not sure whether or not I said it yesterday, but the objection of the union is that it is tantamount to their acceptance of compulsory arbitration. The objection of the railway company to that not being a contractual undertaking now is that if they do not make it a contractual undertaking the dispute could start all over again. I have been urging that is not a realistic view to take. If there is a thorough investigation and report, neither side is going to attempt, after that, to hold out on a formula for safe operations that will have been recommended after a full investigation by a board that would be constituted in such a way as to have considerable prestige with Canadian public opinion.

Mr. Diefenbaker: I have one more question. As to the nature of the board, is that to be the board of transport commissioners or an independent board to be set up composed of representatives of the government, the railway and the union?

Mr. St. Laurent (Quebec East): The possibilities with respect to the two kinds of board the hon. gentleman mentioned have been under consideration. There is such a volume of work before the board of transport commissioners that that has been one reason for not asking them to set everything else aside and devote quite a long period to this problem, because it will take some time to make a full investigation that will be such as to satisfy the public that it has been given every possible consideration before a recommendation is made.

There is more than one statute under which that kind of board could be set up. Under the Railway Act it could be a reference to the board of transport commissioners. Under the industrial disputes act it could be a board constituted by the Minister of Labour, under one of the sections of that act. There is also, of course, the general Inquiries Act, under which a royal commission could be set up. What is being pressed, I will say, by us is something that will be apt to be accepted without compulsion having to be resorted to.

Mr. Diefenbaker: And is the decision final?

Mr. St. Laurent (Quebec East): There will not be any agreement accepted by the union of a contractual obligation to accept the decision, but Canadian citizens usually accept what properly constituted authority determines to be the right kind of law for the land.

Mr. M. J. Coldwell (Rosetown-Biggar): May I ask the Prime Minister a supplementary question? Would he not consider that in setting up such a board it is important to have members with some technical knowledge of the principal problem involved? What I have in mind is that the conciliation board consisted of three lawyers. While I have every respect for the legal profession—and we can tell by the volume of applause which greeted my remarks that there is an undue number of them in the house—nonetheless, I think in a case of this description rather than legal minds what we need are people who have some technical knowledge of the matter in view of the controversy over the safety factor.

Mr. St. Laurent (Quebec East): Mr. Speaker, all these aspects have been very much in our minds. I cannot agree with the hon. gentleman that there is an undue number of lawyers in the House of Commons. I have great respect for all other avocations but I believe that a knowledge of the law as it is is somewhat helpful in considering what the law might be altered to be in the future. However, this is not just a matter of law; it is a matter of fact as well, and that has been in the minds not only of the parties but in the minds of my colleagues and myself in our negotiations with the parties.

SUGAR

REFERENCE TO REPORTED CONTINUED RISE IN WORLD PRICE

On the orders of the day:

Mr. Elmore Philpott (Vancouver South): Mr. Speaker, I would like to address a question to the Minister of Trade and Commerce. Is there any reason for the continued substantial rise in the world price of sugar?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the world price of sugar is influenced by a number of factors. One is the buying habits of the public. Another is that there was a short crop last year. There has been very heavy buying, particularly in France and England, abnormally heavy, and there is some talk of a present shortage of sugar in England. We have studied the matter, and as far as we can judge the situation the production and the supply of sugar are about in balance. We also think that there will be an adjustment of the price when the buying at abnormal rates comes to an end. But at the moment we think the world price is being governed by abnormal demand in certain countries and the short crop.

HOUSING

REPORTED SIGNIFICANT DECLINE IN RESIDENTIAL BUILDING THIS YEAR

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I should like to direct a question to the Minister of Public Works, and I apologize for not having sent him a little more notice. In view of the fact that this is the time of the year when the construction industry is organizing and planning for the year ahead, would the minister be able to elaborate or comment or give some word of encouragement in regard to the gloomy prediction of his colleague, the Minister of Trade and Commerce (Mr. Howe), on December 27 that there is likely to be a significant decline in residential building this year?

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, I cannot agree that the prediction of my colleague the Minister of Trade and Commerce (Mr. Howe) was gloomy. He said there would probably be some decline in house building in 1957 as compared with the record performance of

1956 and the preceding year. The only comment I can make is that as far as I am concerned the remarks of my colleague were accurate, as they always are—

Some hon. Members: Oh, oh.

Mr. Winters: —but that nevertheless there will be a high record of house building in 1957.

[*Later:*]

Mr. Claude Ellis (Regina City): Mr. Speaker, may I direct a question to the Minister of Public Works arising out of the answer he gave to the hon. member for Burnaby-Coquitlam (Mr. Regier). Would he not consider the statement made by the Minister of Trade and Commerce (Mr. Howe) to the effect that, of all the major investment sectors, residential building—

Some hon. Members: Order.

Mr. Ellis: —is the only one likely to show a significant decline, is a gloomy and pessimistic statement?

Mr. Gauthier (Nickel Belt): He shoots, he scores.

Mr. Winters: Mr. Speaker, when you consider that during the last two years over one-quarter of a million houses were built in Canada, and when the Minister of Trade and Commerce says there might be some decline this year but nevertheless there still will be a high level of house building activity in Canada, I do not think that is a gloomy statement.

Mr. Ellis: Well, Mr. Speaker, this statement makes one specific reference to residential construction. In other words, out of all the construction going on in Canada only residential construction is likely to show a significant decline in the coming year.

Some hon. Members: Oh, oh.

IMMIGRATION

C. G. HANNA—REASON FOR REFUSAL TO ADMIT

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): Mr. Speaker, may I direct a question to the Minister of Citizenship and Immigration (Mr. Pickersgill). Was permission to enter Canada recently refused to one C. G. Hanna at a west coast port? If so, on what grounds?

Would the minister also advise as to the present whereabouts and status of that unfortunate individual?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): I wonder if I might have Your Honour's permission to answer this question notwithstanding a ruling you made at a previous session that you would not permit questions about individual immigration cases.

There has been a most extraordinary amount of publicity about the case of this unfortunate young man and I think perhaps hon. members would like to be in possession of the real facts.

He has on three different occasions appeared on a merchant ship at a Canadian port. He is in no way admissible to Canada under the Immigration Act and in fact at least four or five different provisions of the act would have to be set aside if he were to be admitted to this country. In view of the fact that he had no connection with anyone in this country, that he was on the ship of a highly civilized country and there were no doubt other places in the world where it would be possible for him to go, it did not seem to me it would be a proper thing for me to disregard the law enacted by this parliament and to seek by some back-door method to get around the law which was made by this parliament.

Mr. J. M. Macdonnell (Greenwood): A supplementary question, Mr. Speaker. I have been approached by people in my constituency who I suppose may be described by saying they believe in broad humanitarian principles rather than in technical rules at all times. I would like to ask the minister whether he thinks it possible to consider this situation on its merits and see whether a case can be made rather than to deal with it in a purely legalistic manner. It seems to me this young man might spend his life on freighters.

Mr. Pickersgill: Well, sir, as to where this young man may spend his life, I think it is very unlikely that he would spend any great part of it in any one place because, having read his own life story as told by himself in the Toronto *Star*, I gather he seems to have made rather a habit of moving about from one place to another.

I think the case has been considered on such merits as we were able to find in the case and I am afraid that compared with a great number of other cases, often very tragic cases, of persons closely related to Canadian citizens, whom on account of the law that was enacted by this parliament it is not possible for me to agree to admit to this country, I would certainly not consider, on any kind of merits that it has been possible for me to discern, that it would be proper to ask to have an exception made in this case.

Mr. Pearkes: Could the minister say whether this man has actually left the west coast now?

Mr. Pickersgill: Well, he has not landed in Canada during this voyage. I have no guarantee that my information is accurate but I was told the ship he is on at the present time is going to sail on either the 12th or the 15th, I am not sure which, from whatever port it is at on the west coast, either Victoria or Vancouver, I am not sure.

Mr. Pearkes: Victoria, I think.

CANADIAN NATIONAL RAILWAYS

POSITION OF EMPLOYEES RELIEF AND INSURANCE ASSOCIATION

On the orders of the day:

Mrs. Ellen L. Fairclough (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of Transport. Would the minister say what is the present status of the Canadian government railway employees' relief and insurance association? Has the action which was taken toward the end of December, that is the reinstatement of the deduction plan for insurance benefits, meant that the association is recognized in all its aspects, or is it merely on the insurance basis? This is a matter of some urgency to the employees concerned.

Hon George C. Marler (Minister of Transport): Mr. Speaker, all I can say at the moment is that I know the matter has been under consideration but I shall have to make inquiries of the management in order to answer the hon. lady's question more specifically.

EXTERNAL AFFAIRS

YEMEN—INQUIRY AS TO PRESENT SITUATION

On the orders of the day:

Mr. Solon E. Low (Peace River): Mr. Speaker, I should like to ask the Secretary of State for External Affairs if he can give us the facts with regard to the situation in Yemen, and particularly whether there is any foundation for the accusations being made by the Yemenese against the British?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, I am afraid I cannot give the facts. We have tried to ascertain them. The hon. gentleman does know that the allegations made by the Yemen government have been denied by the United Kingdom government and I think we should accept that denial. I understand the matter is being referred to the United Nations where we will probably hear more about it. In the meantime I shall try to ascertain what facts I can.

PUBLIC SERVICE

INQUIRY AS TO FILLING OF VACANCY ON CIVIL SERVICE COMMISSION

On the orders of the day:

Mrs. Ellen L. Fairclough (Hamilton West): Mr. Speaker, I should like to address a question to the Secretary of State. Will the Secretary of State state what progress has been made toward filling the vacancy on the civil service commission which has existed for a year and a half?

Hon. Roch Pinard (Secretary of State): The only thing I can say in answer to the question is that the appointment will be made in due course and will be announced by the government.

Mrs. Fairclough: How many years?

SHIPPING

COASTAL TRADE—INQUIRY AS TO REPORT OF ROYAL COMMISSION

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like to ask the Minister of Transport if he can tell the house what is the situation with respect to the report of the royal commission on the coastal trade and whether parliament will likely have an opportunity to act upon that report at this session?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I am not in a position to say when the report will be brought down and because of that fact I am unable to answer the second part of the hon. member's question.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Wednesday, January 9, consideration of the motion of Mr. R. F. L. Hanna for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Diefenbaker, and the amendment to the amendment of Mr. Coldwell.

Mr. Robert Cauchon (Beauharnois-Salaberry): Mr. Speaker, I wish first to congratulate the hon. member for Edmonton-Strathcona (Mr. Hanna) who has most ably moved the address in reply to the speech from the throne.

(*Translation*):

Also, Mr. Speaker, my sincere congratulations to the hon. member for Gloucester (Mr. Robichaud) for having carried out his task equally well when seconding the address in reply to the speech from the throne.

At the time of the great fire in the town of Salaberry of Valleyfield, on December 30, last, the right hon. Prime Minister (Mr. St. Laurent) sent a message of sympathy to the families who had lost their homes. On their behalf and also speaking for myself, I want to express our sincere appreciation to him. It is comforting to realize the spirit of good-will that is shown in such circumstances, for without the heroic efforts of our firemen and of those who volunteered to help in one way or another, our town would certainly have had to deplore a much larger misfortune.

(Text):

As in speeches of former sessions, Mr. Speaker, the speech from the throne has expressed the Liberal government's policy of promoting social welfare and economic development and of effecting the continuance of the prosperity our country has enjoyed under the wise guidance of its capable Liberal leaders. An outstanding example of this guidance applied internationally was the plan submitted to the United Nations by the Secretary of State for External Affairs (Mr. Pearson) at a time when that body was, I would say, nearly paralysed by war in the Middle East and Hungary. As one Canadian newspaperman said, "This week Canadians at the United Nations in New York have good reason to be proud to be Canadians." Never, Mr. Speaker, was constructive leadership more needed than at that moment and the Secretary of State for External Affairs and his Canadian delegation gave that leadership.

Although the opposition may refuse to our administrators the credit so justly theirs, it cannot deny that Canada has had prosperity; nor can it deny that foresight, good administration and sound financing have resulted in unprecedented progress within the last two decades. What is more, steps have been taken to assure Canada's continued prosperity. Think, Mr. Speaker, of the two great projects now under way, one to give the west eastern markets for its great resources of natural gas, the other to develop the great hydro power resources of the east and at the same time to give the lakehead direct access to the Atlantic seaboard.

These gigantic undertakings, together with the ever increasing amity among Canadians of different national origins, have served to convince all Canadians that the Prime Minister (Mr. St. Laurent) has done more to unite, both tangibly and intangibly, the people and the geographical units of this vast country than has any other Canadian. In the annals of of Canada I am sure he will be accorded that honour for all time.

In justice too, I must pay a well merited tribute to our Minister of Finance (Mr. Harris) who has so skilfully led the house in its deliberations and the country through a time of dangerous inflationary trends. The Minister of Trade and Commerce (Mr. Howe) and other ministers have also, with courage and fortitude in the face of determined opposition, taken measures to assure Canada's economic development.

In this connection, Mr. Speaker, one immediately thinks of the Hon. Lionel Chevrier and the seaway authority. In April, 1951, I spoke to him of my constituency's interest in the work to be undertaken and voiced our objections to lift bridges at St. Louis de Gonzague, on Larocque road and at Melocheville where increasingly heavy traffic would be dangerously impeded. At that time he promised to study the matter and, Mr. Speaker, as a result I was pleased to be able to announce last year that we could be assured of a tunnel at Melocheville. I hope also to be able to announce that something will be done at the other two points. On behalf of my riding of Beauharnois-Salaberry I wish to thank the Hon. Mr. Chevrier and the Minister of Transport (Mr. Marler).

That part of Quebec which I have the honour to represent now has, as I have formerly intimated, unrivalled industrial sites. The tremendous combined navigation-power project now under construction together with power now available, a skilled reliable labour force, a productive countryside, almost unlimited water supplies and an excellent situation in respect to markets should be most attractive both to light and heavy industries seeking new sites or working out plans for decentralization.

My foregoing remarks were preliminary to the introduction of a subject that has been of sincere concern to me for some years, that is, the practice of discrimination against the older but employable worker. Though I have no intention of reiterating the facts I presented in 1951, I feel it my duty to say that this discrimination continues and seeks justification for the same reasons as then. Proof of my assertion may be found in the advertisements of our daily newspapers.

We must concede that evolution of a population through the complex stages of its economic development and the continuing industrial revolution with the resultant increase in automation give rise to many difficult problems, but problems nonetheless necessary of resolution.

Then too we must accept the idea that a nation's progress depends upon (1) higher production with a corresponding rise in living standards for all and (2) new outlets for the

investment capital which provides new jobs and skills not only for the young but for those still employable who have been thrown out of work by changed production methods or similar causes.

All workers should and must share equally in job opportunities created by our present economic growth. Canada's citizens, even those 41 to 60, should have equal opportunities in its labour markets; that is, of course, if age is not a bona fide occupational limitation. Both government and private enterprise, therefore, have the task of anticipating and resolving problems arising from this continuing evolution, especially problems pertaining to the unemployment of any section of Canadian labour.

Because I have kept myself well informed regarding the employment situation in my own industrial community, it is clear to me that workers over 40 are most frequently the sufferers when production methods change. Consequently I have followed closely the attempts of various governments to check discrimination because of age. Recently I have read "New Channels for the Golden Years", a document issued by the New York state joint legislative committee on problems of the aging, under the chairmanship of Senator Thomas Desmond. Among the recommendations made on page 7 of the report there are two of particular interest. They are:

That the state encourage industry to establish vested pension plans and move in that direction itself in connection with the state retirement system.

That the state recognize the greater difficulty older persons have in finding jobs by providing an unemployment insurance differential for those over 40.

On page 10 the advantages of a vested pension plan are thus described:

Our committee believes that vested pension plans hold forth promise of

(a) increasing likelihood of employers hiring workers at ages 55, 60 and over;

(b) preventing indigency in later life resulting from workers changing employment in firms which grant pensions only after lengthy service;

(c) reducing pressure on government to take drastic action such as adopting an old age pension act.

The British national advisory committee on employment of older men and women after studying the problem also has emphasized the need of "preserving pension rights on change of employment." The committee later in the report makes a recommendation that the state expand its anti-discrimination law to include age, as does that of the state of Massachusetts. Moreover, the following recommendation is also made as found on page 23 of the same report:

To give further emphasis to our belief that the state should move to end discriminatory practices in employment of the 40-plus, we recommend:

That the state should bar any company from bidding on state construction, equipment, service or other contracts if it discriminates against the 40-plus;

The burden and stigma placed on our free enterprise system by the crude, raw, unscientific policy of banning the employment of the 40-plus by modern industry, particularly big industries, and especially new industries, warrants society, through its elective officials, in taking steps effectively to prevent such personnel policies.

To the contention, "But it costs industry more money to hire the 40-plus", we reply, "These are costs industry and society must bear".

If the cost of employment of the 40-plus is increased prices, we need to add that to our costs, just as we have added to the cost of production the cost of sanitary, safe factories, social security taxes, shorter work week.

However, we have seen no evidence that hiring the 40-plus will increase the cost of production. We have seen figures indicating that workmen's compensation costs rise, but these have been disproved.

We have seen figures that group insurance costs rise, but these do not appear significant.

We have seen figures that pension costs rise when the 40-plus are hired, but we have not seen them balanced against any compensating figures reflecting lower absenteeism, the greater loyalty, the greater stability, the lower turnover rate, the increased know-how of the older worker.

Nor have we seen what the cost to industry would be if vested pensions were adopted so that the employer hiring a man at 55 would not have to feel he had to provide "a suitable pension" for him at 65, but only a 10-year pension.

I was also interested to see by the 1955 report of the International Labour Organization that the state of Massachusetts had almost eliminated all discrimination in employment practices, including that against age.

In order to learn more about the Massachusetts law I went to Boston last spring to gather at first hand information from the officers of the commission.

It might be well at this point to summarize briefly the Massachusetts Fair Employment Practice Act and its amendment, sponsored by the American Federation of Labour, to include age. Age is defined as being between 45 and 65.

Every employer, employment agency and labour union subject to the provisions of the law must post it conspicuously on its premises. Those not subject are employers with fewer than six persons, clubs, et cetera not organized for private profit, domestic servants, and those employed in family businesses. The law reads as follows:

No person shall be denied the right to work because of race, colour, religious creed, national origin, age or ancestry.

In respect to age, it is illegal for employers or employment agencies to: (1) ask questions before employment which directly or indirectly disclose age; (2) to print or circulate advertisements which directly or indirectly

specify limitation because of age, unless that limitation is based upon a bona fide occupational qualification; (3) in case of employers to discharge or refuse to hire an individual because of age; (4) to act unfairly against an individual in matters relating to compensation, terms of employment et cetera because of age.

Labour organizations and groups of employees are forbidden to exclude from membership or to resist employment of such persons.

Moreover—and this is important—the law has been interpreted to apply even if a company had, prior to its passing, adopted a retirement or pension plan calling for the retirement of persons between those ages, 45-65.

The commission seeks to gain compliance with the law by means of conference, conciliation and persuasion. A commissioner is assigned to investigate each complaint. Only once has a public hearing of a case been necessary. Public acceptance of the law has been due principally to the educational program initiated by the commission which arranges conferences with groups affected in various communities. In addition, surveys of the industrial communities are made by small committees of their own citizens, serving without remuneration. These acquaint the commission with problems peculiar to each locality. The surveys also tend to arouse interest and to enlist the co-operation of those affected by the law.

Here, Mr. Speaker, I might say that Pennsylvania has also enacted a similar statute.

As a result of my study of this question, I would make the following recommendations:

1. That the Department of Labour should begin a study of the Massachusetts commission against discrimination with a view to setting up a similar commission in Canada.

2. That the department should also consider amending the national Unemployment Insurance Act to enable the worker to change employment without loss of his rights in a pension plan.

Possibly pension stamps could be affixed to the workers' unemployment insurance books together with the unemployment insurance stamps. Whatever system is adopted, it should effectively protect the senior members of our society from discrimination and assure them of pension upon their retirement.

We cannot permit industry to make a unilateral decision to oust or to exclude middle-aged workers from jobs. Jobs can, in some cases, be adapted to the workers; in others, the workers can be trained for new jobs.

It is the inherent duty of each Canadian to discharge the responsibilities of citizenship. It is equally the right of each Canadian to contribute to and share in his country's progress and prosperity. I believe it is industry's and government's joint responsibility, in recognition of the innate dignity of the human soul, to provide employment for each worker during the years he is employable and to assure him of a pension sufficient to free him from want in his old age.

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, as the first speaker of the Conservative party to follow our new leader I wish formally for the record of this house to congratulate him on his new position and naturally, without any reservation, to wish him all the success in the world. The last two days here and outside the house have certainly shown that his fine qualities and capabilities will now be made known to all in this country. I want to say also that we extend to our retired leader the best wishes for complete restoration in the future of that good health that he knew formerly. I wish to congratulate too, Mr. Speaker, the mover (Mr. Hanna) and seconder (Mr. Robichaud) of the address in reply to the speech from the throne. There were remarks made by both these hon. members which I thought were very fair. They called attention to some of the problems I have in my own constituency.

The hon. member for Edmonton-Strathcona (Mr. Hanna), in speaking of the city of Edmonton, said that they were indeed fortunate to have such fine prosperity and growth in that area. It was my pleasure to be in Edmonton a few weeks ago and I can say that is true. I commend him for further suggesting in this regard that perhaps their problems were not as great as those of some other areas.

The seconder, the hon. member for Gloucester (Mr. Robichaud), who is from my home province of New Brunswick, suggested that there is a new optimism in our province which has replaced the old pessimism. I agree with him. I commend him also for having received that new spirit.

I want to say, Mr. Speaker, that I would be remiss in my duty if I did not point out some of the difficulties that still exist in the Saint John area, in the province of New Brunswick and also in the maritime provinces. I do not wish to be thought pessimistic, but these are problems that have of late taken serious and grave form. At the outset, I want to say that these problems which I will mention are economic and geographic in nature; that is agreed. However, I would suggest, in the second place, that there is a grave federal responsibility in each of these serious problems—perhaps, Mr. Speaker, it

could be better described as a lack of federal responsibility for these ills that are creeping into our economic life in an area that is not quite as fortunate as the area mentioned by the mover of the address yesterday.

Our sad story begins about one year ago when we had a serious strike at the Atlantic sugar refinery in Saint John. There were 700 men out of work and 16 working days were lost. It was a wage dispute and was settled at Christmas of 1955. I am not taking sides in the matter. I only want to point out what was stated by management at that time, and I do not think it has been seriously disputed by anybody connected with that matter. It was stated that two problems exist for an industry in such an area as the maritimes. They were out of the immediate marketing area for their product and the difficulties with respect to their competitors were greatly increased. Secondly, there was the problem which a new survey had shown would be felt when the St. Lawrence seaway was opened.

Next, we had a strike during the same period on the *Princess Helene,* the C.P.R. vessel which connects Saint John and western Nova Scotia at Digby. There were 80 days lost. The strike ended in December 1955 and it was later settled in the spring of last year when wage talks resumed after the vessel returned to service. Again the problem there was one of economics and geography. The strike, to a large degree, was managed by a gentleman who is well known to the Minister of Labour (Mr. Gregg) and others in this house by the name of Hal Banks. Direction for that strike,—again I am not taking sides, but I am simply trying to point out the position in which we were and how it was misunderstood—came from Montreal by telephone and the strikers did not even know when they should begin the strike. This was the first waterfront strike we had had since the seamen's union of 1949, but it was felt by all in the community of New Brunswick and also in Nova Scotia.

The third serious situation, Mr. Speaker, came to a head on November 14 of this past year when a public meeting was held in Saint John with respect to the very serious lay-offs at the Saint John drydock, our important shipbuilding industry. I think perhaps I could best explain this by reading a resolution that was passed at that time and agreed upon by all concerned who were attending that meeting.

Whereas the Saint John dry dock is one of the most important sources of employment and purchasing power in the Saint John area:

And whereas employment at the dry dock is at a very low level with only some 300 employees as against more than 900 a year ago and a full employment level of more than 1,500:

And whereas the present situation represents a weekly payroll decline of more than $40,000 in comparison with last year;

And whereas this condition severely affects many other industries and commercial establishments in Saint John;

Therefore be it resolved:

That an appeal be directed to the proper authorities, civic, provincial, and federal, that special arrangements be made forthwith to place with the dry dock contracts which will ensure a higher level of employment and so relieve a most difficult situation for the employees and which will also aid in improving the purchasing power of the community of greater Saint John.

I do not wish to go into the details of that situation which has already been brought to the attention of the house, but I simply want to say that at that meeting it was brought out, and agreed by all concerned, that one of the main difficulties was a $3.50 freight differential with the various other competitors of this shipbuilding industry in Canada. We also know that the related problem of a Canadian merchant navy is connected with it. However, I do want to mention one aspect of this meeting which calls attention, I hope, to the problem I am pressing here today of the lack of federal responsibility. I refer to a telegram that was sent by the Minister of Transport (Mr. Marler) to that gathering when he had been asked to attend or send a nominee. This is a telegram from the Hon. George C. Marler, addressed to the secretary-treasurer of local No. 3, Industrial Union of Marine and Shipbuilding Workers:

Regret that I am unable personally to attend meeting Saint John Wednesday, November 14 and do not think any useful purpose would be served by sending representative of my department. The Canadian maritime commission is fully aware of the situation at Saint John dry dock and is making every effort to see whether it is possible to find some work which could be allocated to it.

George Marler

Naturally, Mr. Speaker, the workers who were finding it hard to make ends meet were not too pleased with this telegram. However, I do not wish to be hard on the Minister of Transport at the present time because he has shown interest in Saint John, and he has made two or three trips there since taking his position.

I now come to the most important and gravest aspect of our problem, namely, the present C.P.R. strike. I think the difficulties of the community of Saint John are well known to the nation at the present time. The strike was a double blow to our community because we also have shipping as well as railway facilities to consider. In addition, thousands of refugees were coming to our shores and they further congested the efforts that we were making to use the small Canadian National Railway facilities there. Seven daily freight trains had to be laid off. The C.P.R. employees, who number

nearly 2,000, are all out of work as a result of the strike, and over 2,000 longshoremen are being thrown out of work at the present time because of ship diversions at the height of our very busy winter port season. Extra staff has been taken on at our unemployment insurance office. It is a serious blow that we have received, and it recalls to our minds the situation 35 or 40 years ago when we also had similar difficulties. Perhaps an indication of the seriousness of it, if any further word needs to be given, is the fact that prayers have been said in churches to help relieve the hardship which has resulted.

This is a permanent money loss to our city. It is not just the case of the $50,000 a day that we shall be losing. It is a fact that we can never recover this business and this money which we so sorely need. The longshoremen in our area live on credit from one season to the next. They have a busy peak season, and when ships are lost to other ports and when we know that the backlog cannot be caught up until the St. Lawrence opens we realize it is a permanent blow. In this connection, I have telegrams from the mayors of the city of Saint John and the city of Lancaster which explain the declaration that was made by both of their common councils with respect to the C.P.R. strike, and which state formally that an emergency condition existed in both of those cities. I will not put these on the record, Mr. Speaker, but I also just received a telegram explaining the seriousness of the strike in western Nova Scotia. This telegram was received from the affiliated boards of trade in the Annapolis valley, which was a joint effort, and probably speaks for the whole of the western Nova Scotia communities. This is the story of this serious strike. I have dealt with it from the local aspect. Then we can go on to the provincial aspect of it. I could probably refer to any area of the province, but surely we would be entitled to go to the constituency of the Minister of Labour (Mr. Gregg) who knows what some of these difficulties are with regard to layoffs and some of the other problems which I have mentioned.

We remember the serious layoffs that resulted two or three years ago from the shutdown of the cotton mill in Marysville; we remember some of the efforts that were made, but we also remember the lack of consideration that the federal government gave to this serious problem of ours. The Minister of Labour probably is not happy today when he knows that in the town of McAdam in his constituency over 92 per cent of the 3,000 inhabitants are completely dependent on the C.P.R. payroll. He cannot be happy about that. I am not taking the time now to refer to other problems; I am simply saying that this strike is affecting the entire province of New Brunswick.

Then we come to the maritime aspect of this problem. I have mentioned some of the local difficulties we have had; I have mentioned some of the provincial difficulties, and I now wish to refer to one of the serious problems that we have faced in the maritimes because of the hard money policy of the Bank of Canada and of this government. The best way that it can be explained, probably, is to refer to a statement that one of our people made at the time when he said that there is a family of 10 children and one of the children of that family happens to be taken ill. The present government gives the whole 10 children a dose of castor oil. We are of the opinion in the maritimes that we have never known inflation, and various statistics which have been given here and which will be given later will prove that. We object very strongly to this hard money policy which cripples us much more than it cripples some of the other expanding areas of this country. Our premier has objected strongly to this policy. He has made approaches to the Prime Minister and little attention has been given to it by this government. We do have that on the record.

I also wish to refer to the present upward revision of freight rates. For the first time in the history of the Atlantic provinces the four premiers, two Conservative now and two Liberal, got together and gave a joint statement of objection to the new increase in freight rates. This is a serious problem. It is one that we feel very strongly. The old benefits of the Maritime Freight Rates Act are no longer helpful to us, and those horizontal increases are making it extremely difficult for us to compete in the central Canadian markets. It is another example of the economic difficulty we have, and which is recognized but which also bears a lack of federal interest.

I refer to another recent announcement, Mr. Speaker, which was made when the statistics of the Department of National Revenue were given at the end of 1956 dealing with the incomes of 56 Canadian cities. We noted that Halifax was in 46th position, Moncton 47th and Saint John 51st. This is another indication of the economic difficulties of the maritime provinces.

Then we also remember the story of the election in Nova Scotia and I imagine this matter will be given better treatment by

those who know more about it. However, we remember the story of the former premier's last desperate despondent attempt to avoid the inevitable defeat which he saw coming. He came here to Ottawa to see the Prime Minister (Mr. St. Laurent) ostensibly on behalf of all the maritime premiers but he really came here to see if something could be done not only in order to save the Liberal party in Nova Scotia but to try and do something for the entire region. At that time the Prime Minister was quoted as saying to the then premier of Nova Scotia:

> The making of direct expenditures toward the improvement of the economy of a particular area by the federal government would be justifiable if it were felt that the indirect results of such expenditure would develop the economy of Canada as a whole.

The Prime Minister was reported as saying this in the *Daily Gleaner* on September 6, 1956.

Well, Mr. Speaker, needless to say nothing was done about that and the Liberal government went down to bitter defeat in Nova Scotia. In that same connection we remember a statement the Prime Minister made at the labour convention which I think was held in April of last year, a statement that has often been referred to in this house, to the effect that initiative should come from the people in the maritimes. We took that statement at its face value in an honest way because most maritimers are honest and we then proceeded to make our proposals and many were made.

One proposal which we have been making in New Brunswick for many years concerns power development. The Beechwood project has been brought here in a non-partisan way together with the complete facts, our proposals and our formulas, and nothing has been done about it.

I can think of several ways in which the Prime Minister could have taken action if the statements he made at the labour convention and to the former premier of Nova Scotia were true. I can think of a complete new revision of our freight rates; I can think of a further interest on the part of the federal government in fostering traffic through our maritime ports. Protected and subsidized industries in Canada still continue to use United States ports for a great deal of their export and import business. These are but a few of the ways in which the Prime Minister could bring about the intention of his words.

At the same time, however, we should be fair enough to recognize that in the throne speech this year there is mention of a proposed plan to assist in the solution of our agricultural problems. If it is successful the committee of the Senate will deal with and consider the better use of land for agriculture to contribute more effectively to the improvement of agricultural production and the income of those engaged in it.

The Prime Minister referred to the problems of the farmers in Quebec and these are similar to the problems facing the farmers in New Brunswick and other parts of the maritimes. The government is finally making an effort to do something concerning these problems which have been brought to the attention of this house time and time again. Of course it is late and it comes just before the election but I suppose we must put in some kind words here concerning the fact that the government is considering this matter.

The Prime Minister mentioned, and rightly so, some of the problems which exist in Quebec. We have many French speaking Canadians in the province of New Brunswick; they constitute nearly 50 per cent of our population. I suppose they will benefit from the farming improvements that might be made and they will also benefit from any interest the Prime Minister and others take in their particular problems. I might point out, however, that we have other specific problems in this country many of which exist in the maritimes. I am merely saying that we should have from this government action that will bear out the intention of the words that have been spoken by the Prime Minister and others on many occasions.

I have mentioned the local problems in Saint John, I have mentioned the provincial problems that exist in the maritimes, and I have mentioned problems from a strictly maritime standpoint. I recognize that peculiar economic and geographic difficulties exist but I suggest there has been a lack of federal responsibility in these matters.

Probably the most important problem confronting us and requiring immediate attention is the strike. I have tried to deal fairly with it from a strictly local aspect. In the light of what has been said inside and outside of this house, in the light of the meeting that was held yesterday between the president of the C.P.R. and the Prime Minister, in the light of the meetings that have been held with the union and in the light of the indications the Prime Minister mentioned both yesterday and today that a solution will soon be forthcoming, I now ask the Prime Minister to come out and let us have the solution. It is there; they know what the plan is and what the answer must be. Let us have it. My people in Saint John want the strike settled. It has been suggested there is a solution that will soon be forthcoming. Is it coming this afternoon, tomorrow or the next day? Is the government waiting around with it so that they

can be big heroes and produce a solution after everybody is thoroughly fed up and then the Canadian people generally will commend the government? I wonder, Mr. Speaker, if the Canadian people will give the government any commendation in this case. We want that strike settled from the Saint John point of view at least and if the government has a plan we want it right now.

Mr. Gauthier (Portneuf): What is your solution?

Mr. Bell: Over the Christmas holidays I began reading a book concerning a gentleman who appeals to me very much. The book is entitled Man and Power and it was written by Lord Beaverbrook. It is a most interesting book written in Lord Beaverbrook's inimitable fashion and in it he refers to a very fine character by the name of Herbert Asquith who was prime minister of Great Britain up to 1916 when he was succeeded by Lloyd George. Lord Asquith was a liberal in the tradition of liberalism as we knew it then. A splendid parliamentarian, he advocated fine liberal policies and in spite of his contribution he was accused of being a person who waited to see. In the words of Lord Beaverbrook, he was accused of being "mild and ineffective in serious crises. He was lulled into a sense of false security." Mr. Speaker, I hope there is not a parallel that can be drawn between that Liberal prime minister and a certain other liberal prime minister.

Mr. A. W. Stuart (Charlotte): Mr. Speaker, I did not want to interrupt the hon. member when he was speaking but I wonder if I could ask him a question.

Mr. Bell: Yes.

Mr. Stuart (Charlotte): I would like the hon. member to tell us, if he would, what he would suggest as a solution to the railway strike.

Mr. Bell: The resignation of this government would be the best one, but I stated that we only wanted the Prime Minister to bring out his plan for a solution which he now has in his vest pocket.

Mr. Gauthier (Portneuf): Wrong bell again.

Mr. Stuart (Charlotte): May I ask the hon. member what is his plan for a solution to this problem?

Mr. Deputy Speaker: Order.

Mr. S. R. Balcom (Halifax): Mr. Speaker, may I first congratulate the hon. member for Edmonton-Strathcona (Mr. Hanna) and the hon. member for Gloucester (Mr. Robichaud) on their splendid speeches in moving and seconding the address in reply to the speech from the throne.

In the next few minutes I hope to place before hon. members mostly items of interest in my own riding, leaving world affairs to others so much better versed in such matters.

I would like at this time to say to the hon. member for Saint John-Albert (Mr. Bell) that although competition between the ports of Saint John and Halifax is always very keen it is always friendly and while we in Halifax are benefitting at the present time and Saint John is losing we wish to say to the hon. member we get no glory out of such increases in business and we join with him in hoping the strike may be ended very soon.

On Tuesday my colleague and I attended the unveiling ceremony of the monument to honour the memory of a great Canadian, the late Sir Robert Borden, a former distinguished prime minister of Canada, who served his country through the critical and anxious years of the first world war and represented Halifax honourably and ably from 1896 to 1904 and again from 1908 to 1917. It is only meet and right that we should honour our great men, for a wise nation preserves its records and remembers the sacrifices and glories of the past.

As the year 1957 opens, we have in Canada a situation of extraordinary buoyancy. Few Canadians are suffering because of broad economic or business problems. There are situations, as there always will be, where an individual or an industry is affected unfavourably, but on the whole Canadians find themselves in a fortunate economic position. The province of Nova Scotia and the other Atlantic provinces have participated in this general growth and expansion and a spirit of optimism prevails generally and we are very much gratified over this situation.

What is far more important at the moment and of greater significance for the future is the practical and tangible recognition by the government of Canada of the disparity in economic circumstances as between the Atlantic provinces and the rest of Canada. This recognition has taken the form of imaginative measures which in some cases represent extensions of established policies and in others represent an altogether new approach.

We were all pleased with the announcement made by the Minister of Northern Affairs and National Resources (Mr. Lesage) concerning the government's intention to spend an extra $270,000 in its 1957 tourist promotion budget for the specific purpose of encouraging more vacational travel in the Atlantic provinces. This in addition to the *Bluenose* service between Yarmouth and Bar Harbor, this ship having been constructed

through the co-operation of the government of the province, will give a boost to the tourist trade in Nova Scotia.

Another forward step is the acquisition of the Grand Pré park which I believe is to be operated as a federal park.

A further step in the development of our fisheries is indicated by the recent announcement of an extension of the subsidy to provide for loans for the larger vessels. To parallel this assistance to the larger operators I think the development program for the inshore fishermen should be stepped up. To put this suggestion in concrete form and based on the experience in my own constituency, I think the need for federally assisted bait freezers and cold storage facilities for Halifax east and west should be examined. If there is a need for additional facilities which would assist in the sound economic development of our fisheries resources, let us make every reasonable effort to encourage sound growth.

On December 30 a terrific wind storm struck Nova Scotia wrecking great numbers of fishing boats and lobster traps. I have had many letters from fishermen who have suffered to an extent far beyond their means of recuperation. They have asked for assistance in becoming rehabilitated. I appreciate that this is probably not within the scope of the federal authority but I would ask that our fisheries inspectors and officers do everything they possibly can to assist and that the federal government draw to the attention of the proper provincial authorities the necessity of a close survey and the urgent need of financial assistance.

On previous occasions in this house I have expressed regret at the relative lack of impact on the Atlantic provinces of the industrial development bank. This was evident from the small proportion of total loans going to firms in those provinces. I was delighted at the decision to open a branch of the bank to serve the Atlantic region. I know from the bank's operations, even since June of last year, that its facilities are being more widely used. The reports indicate a very satisfactory public reaction to the administration of the affairs of the bank in Halifax. Perhaps as experience within the present policy develops there may emerge a broad program of development going beyond the existing program which would involve detailed planning on a broad basis.

While on the subject I should like to make a comment on the volume of foreign investment in Canada, particularly United States capital. I know of no community or township which would not welcome a new factory or new resources development, whether financed by Canadian, United States, or funds of other nationalities. Efforts are being made now by provincial and local officials to interest United States or other financial groups in our forest resources. We have an excellent working force, one that is second to none, and there is ample power, either at hand or available on short notice.

Another recent statement of interest to maritimers was the Prime Minister's (Mr. St. Laurent's) reference to an inquiry into the problem of land use and development in eastern Canada. I hope that a comprehensive inquiry will include an examination of soil conservation and flood control to include fresh water areas. There is one area in Halifax county, the Musquodoboits, which has a well established farming and lumbering economy which could benefit greatly from a properly conceived plan and managed flood control. Opportunities for development would then be much greater and more numerous if there were proper conservation and flood control.

While on this subject I should like to emphasize that these forward moves are not falling on barren ground. The Atlantic provinces jointly and severally are eager to do their parts as individuals, as companies, as associations, as communities or as provinces in order to develop their opportunities. Thirty years ago the maritime board of trade and the three provincial governments joined forces to set up the maritimes transportation commission. The purpose was to have an agency whose sole job was to give service to maritimers on freight rate problems. The commission now also includes Newfoundland.

Two years ago, again at the instigation of the maritime provinces board of trade, the four provincial premiers presided, so to speak, at the birth of the Atlantic provinces economic council or, in short, APEC, an organization of businessmen dedicated to improving economic conditions in the Atlantic provinces. The spirit of co-operation has grown since then and with it enthusiasm for the promotional objects of this economic council.

With government, labour, agriculture and industry all working together, I feel that the four Atlantic provinces are on the march. We do not wish for any special treatment from Ottawa but we do want the opportunity to carry on and to have the Atlantic region live and prosper with the other parts of this great dominion.

In the consideration of broad national policies which takes place in the debate on the speech from the throne, we always find ourselves providing for one phase or another of our transportation problem. This is

not surprising when you realize that transportation was one of the cornerstones of confederation and over the years has been a major preoccupation of government. It comes in many guises—railways, airlines, canals, ferries, port facilities and so on.

Today I want to speak about some matters in this field which though of a local and regional nature are nonetheless an important part of the national program. The first is the Maritime Freight Rates Act. Since 1927, when the act was passed, many changes have taken place. The benefits that were intended under the act have been reduced or whittled away by the effects of the so-called horizontal freight rate increases that have taken place since the war. Developments in other parts of Canada have contributed to this trend. Since the railways are not able to raise rates where intense truck and water competition exists, they must obtain their additional revenue where competition is less keen. So the pyramid grows. With the addition of the St. Lawrence seaway to the facilities of the central provinces their relative position will improve faster in comparison with other parts of Canada.

It is time then for another look and not only a look, Mr. Speaker, but a searching examination of the actual effects of the act as it now stands. Let me remind the house that this piece of legislation was not a special sop to an area because we happened to be less well off than other parts of Canada. The reduction in rates was based on a judgment of the amount of compensation required to make up for the circuitous route of the rail line, a route chosen for strategic purposes and reasons as opposed to the requirements of commerce.

This matter has been discussed in the house before by myself and other members from the east. It was brought to the attention of the Prime Minister (Mr. St. Laurent) early last summer by the Hon. Mr. Hicks of Nova Scotia, speaking on behalf of the four Atlantic provinces. The royal commission on Canada's economic prospects has been asked to consider the problem and we await with interest their findings on this matter. I would emphasize that this is not a question to be argued before the board of transport commissioners. It is rather a matter of the highest government policy to be dealt with on the basis of thorough and expert examination of the whole transportation problem in the Atlantic provinces.

I would here commend also the improvement and increase in grain handling facilities at the port of Halifax. Substantial additions are also under way to the facilities on the Dartmouth side of the harbour. It is time now, in the over-all planning for port development, that more attention be paid to related projects which involve the town of Dartmouth and the municipality of the county of Halifax. Along the waterfront from Dartmouth to Eastern Passage there are major industrial and defence establishments. Imperial Oil Limited has just opened a modern refinery, double the capacity of the previous one, with an added investment of over $30 million. Irving Oil has added storage and wharf facilities. We have Fairey Aviation Limited, a progressive and well-managed aircraft organization, and the Shearwater naval base is also situated there. All the attendant traffic has been added to the demands of normal growth. This has created problems which cannot fairly be regarded as the sole responsibility of the local authorities. In the interests of assuring the best use of harbour facilities as well as making proper provision for defence, federal assistance in planning and financing additional road facilities is, I consider, warranted.

Further, in connection with the strategic position of Halifax, the necessity for road transport facilities in time of emergency should be considered. There is not much point in having expensive vehicles for transport if they can be quickly immobilized for lack of roads. I know that the Minister of Public Works (Mr. Winters) is anxious to see the trans-Canada highway a national asset. I suggest that defence considerations call for the extension of that highway from Truro to Halifax. I am led to believe by the hon. member for Colchester-Hants (Mr. Purdy) that Truro is gaining so much in importance that it will eventually be the capital of Nova Scotia. This road from Truro to Halifax would be in addition to the road to Sydney.

In a growing country like Canada we can never stand still. We must always improve and go forward. There is immediate need for improvement of the Canadian National Railways facilities at the centre of maritime activity, Halifax. If the baggage and express operations are not the heart of the service, they are certainly the most obvious to the public. The freight office and yards in the north end of the city may affect more lives, but I am sure more of the public see and go through the old wooden structures which are an eyesore in a modern community and certainly cannot be a credit to an important organization like the C.N.R. Nor do they speak well for the efficiency of that great enterprise.

I might also make a suggestion at this point concerning the Nova Scotian hotel. It is a well known fact the Halifax hotels have a

high occupancy rate and that accommodation is pitifully lacking. Undoubtedly this has a deterrent effect on general business and in particular the tourist business on which both federal and provincial governments are spending substantial sums to develop it. It seems to me that a relatively minor expenditure in terms of over-all investment by the C.N.R. could add much-needed rooms and conference facilities as well. With the overhead expenses carried by more patrons, it is most likely that such an addition would improve the operating cost picture as well. The need for facilities is well known. Why not move ahead now?

Before leaving this subject I want to refer briefly to the use made of Canadian ports by our manufacturers. Of course, coming from the east, naturally I am interested in the ports of Saint John and Halifax. I think this is important because it is a situation that can be controlled. By that I mean that with the transportation facilities which belong to the nation and which have been built largely at public expense and are available at comparable prices, it is to the advantage of all that shippers direct their cargoes via Canadian ports.

I should like to cite a few examples where the Canadian public has a right to expect a different situation. In 1955 84 per cent of exports of farm implements made in Canada passed through United States ports. Likewise, 60 per cent of the automobiles exported and 49 per cent of automobile parts went via United States ports. Other products, where a greater or lesser proportion was involved, are such things as rubber tires, whisky, leather and electrical apparatus. Without exception, these commodities have the benefit of protection in the form of tariffs.

In other words, the Canadian consumer has to pay more for each of these articles he wants in order to enable them to be manufactured in Canada. Is it not reasonable then to suppose that the automobile industry, for example, show its appreciation of the protection it receives by directing foreign shipments from their plants through Canadian ports?

I should like to refer again to what I consider the need for permanent headquarters buildings for the army and air force in Halifax. I am not going to enlarge on that matter but I shall barely mention it. These services are operating in temporary buildings for the most part, and although I must commend both for the "spic and span" appearance of their buildings, there is still something to be desired.

Last year in the house I expressed some views on the administration of the legislation concerning disability pensions. This forward step in our welfare program ought to have been received with general enthusiasm, but seldom has such a well-intentioned measure given me such concern.

Many people have complained of the rather rigid regulations and suggested a broader definition of total disability. This would doubtless solve many individual problems but it is not the whole answer. We must avoid putting a premium on being able to prove total disability, and the best way to do that is to provide an incentive for the individual to capitalize on any potential ability. This can be a broadly-conceived rehabilitation program which provides assistance and training for the people who are not totally and permanently disabled and for whom there is a chance of rehabilitation. An allowance should be paid for those people for whom there is some hope of rehabilitation, regardless of how meager that hope may be. Those who benefit from training and can make even a partial contribution to their own support will justify the program. This provision, with more flexibility in the general administration, would put the program where it should be.

Another measure in the field of social welfare which should be considered for revision is the Old Age Security Act. I believe it is time for an increase in the pensions paid to those over 70 and I suggest that another $10 per month be added. I realize that such an increase is in a sense contrary to the efforts of the government to curb inflation. However, I do not believe for a moment that the effect would be so serious as to outweigh the benefits. With a rising cost of living bearing so heavily on those who have not the capacity to increase their income to buy the necessities of life, we should be prepared to reconsider the needs of the aged. At the same time the assistance to the needy between 65 and 70 should also be boosted a similar amount. The inflationary impact on our economy would be more than offset or compensated for by the satisfaction in seeing these people happier in their last years.

In speaking of our social security, I should also like to suggest that there be reciprocity among commonwealth countries. We want an interchange of people. Especially do we want more immigrants from the United Kingdom. If we want to encourage this immigration we should be prepared to give such people the benefits of Canadian citizenship, namely the right to old age security without the limitation of 20-year residence. This could be done

upon a reciprocal basis between Canada and the United Kingdom, and with other commonwealth countries which are willing to extend the same benefits.

There is another way in which the government can help to improve the position of the older age group and at the same time benefit the economy. This is in the application of its retirement policy. Automatic retirement at 65 does not make sense in the light of our present knowledge of the differing capacities of people at various ages. While it may not be quite true to say that you are as young as you feel, you can say that some feel and are much younger at 65 than others are at 55, and so on.

This is a situation in which the government should take the lead and not bring up the rear as it is doing at the present time. The employment policy of the civil service, and for that matter those who head up hourly-paid government employees, should be such as to utilize the services of people as long as they are willing and able to work. I know it is a great comfort to any civil servant—and to any politician for that matter—to have everything laid down by rule and regulation. Then when anyone comes along with a situation that calls for judgment, we can say that we have no discretion in the matter. However, that is a poor way in which to face up to the demands of a complicated society. Let us tackle these problems even though we are creating difficulties for ourselves. I am still convinced that it is better to be maligned and in the political wilderness and to have made a contribution to good government than to have overlooked problems for the sake of comfort and re-election.

I am asking at this time that all those hourly-paid and prevailing-rate employees who have reached the age of 65 or over, but under 70, and can do a day's work be retained in 1957. If necessary, have an independent commission or committee be the judge as to who is fit to continue.

On the employment practices of the government I have another matter to bring up. I refer to the practice of the civil service with regard to persons convicted of crimes. Here we are, as a government, spending substantial sums of money to train prisoners for jobs when they return to society. Our government spokesmen encourage such organizations as the John Howard Society to help in the rehabilitation of ex-prisoners. We ask private industry to employ people who have been convicted of crimes but have paid their penalties. We exhort private employers to give such people a chance to become useful members of society. How can the government expect the public to take seriously its exhortations on penal reform and rehabilitation? Common humanity would suggest to an employer that he give the unfortunate a "leg up" instead of driving him into the streets. Let us get out from behind some of these comfortable rules and require the exercise of judgment in the name of humanity.

There are many other matters with which I should like to deal but I will not do so at this time. I refer to such matters as the formation of an independent parole board in Canada, and not only one but three in different parts of Canada so that they will be available and handy. I should like to speak on the world health organization, but I shall leave that till later. I should certainly like to say something about the salacious literature which is so prevalent in Canada. I should also like to speak about the evil of the trading and bonus stamps which are so prevalent at the present time. On a later occasion I should like to speak on the expeditious and happy way in which the customs branch, the immigration branch, the Red Cross and volunteer workers handled the influx of Hungarian refugees at Halifax on every occasion.

I should like to mention now, and perhaps speak later on it, the matter of a suggested change whereby the dominion sales tax would be collected at the wholesale level instead of the manufacturer's level. I wonder who thought that one up! It is not in the spirit of the first tax collector in the world, namely Saint Matthew. He was far too humane and understanding even to think of such an imposition.

Mr. Claude Ellis (Regina City): Mr. Speaker, let me preface my remarks by commenting briefly on the speech from the throne and its shortcomings. I agree with my leader, the hon. member for Rosetown-Biggar (Mr. Coldwell), in his remarks yesterday when he commented on the failure of the government at this time to announce, among other things, legislation to provide for a comprehensive health insurance scheme in Canada. I among other members had felt that this year, after some long period of time from 1919, the government would have seen fit to introduce such a scheme. The failure to do so at this time indicates a lack of sympathy on the part of the government with the aims of organized labour and with the aims of a great number of men throughout Canada who have over the years expressed their desire for a comprehensive health scheme. There are many other shortcomings at this time when the Canadian people are confronted with a great many economic difficulties.

We are faced now with runaway inflation—

Mr. Harris: Are we?

Mr. Ellis: —and a rapidly increasing cost of living. I might say to the Minister of Finance that over the years the Regina *Leader-Post,* a newspaper in my own constituency, has always given support to the Liberal party. Just a month ago this newspaper stated it now agreed inflation has reached runaway proportions. I suggest that when such a strong champion of the Liberal party as the Regina *Leader-Post* now comes to this conclusion, the government should take some action to prevent this rapidly increasing cost of living.

There have been other evidences of that, Mr. Speaker. There is the failure of the government, in view of the increasing cost of living, to provide decent old age pensions; the failure of the government to make provision for increases in war veterans allowances or to make provision for others in this country on fixed incomes who are victimized by this runaway inflation. I think these are things which all members of this house must sincerely regret.

This morning some questions were asked of the Minister of Public Works (Mr. Winters) concerning the housing program in this country. I am always amazed at the Minister of Public Works because he uses these terms "housing starts" and "housing completions" interchangeably. A year or so ago if he were asked a question about housing in Canada he would say that next year we are going to have so many starts. This year when he is asked a question about how many starts have been made, he is now talking about completions. He will not admit that, while it is true completions have been high owing to starts made previously, as a result of the fiscal policies of this government home construction is falling off. When the Minister of Trade and Commerce (Mr. Howe) states in his year end review, to which reference was made this morning, that in the Canadian economy the one segment which will suffer a significant decline is the home construction industry, then the government should take heed of this warning and do something to accelerate the housing program in this country.

The figures showing the amount of homes being constructed must be viewed in connection with the natural increase in our population and the fact that there are many new Canadians being welcomed to our shores. There is no excuse for any falling off of home construction in this country. There is a tremendous backlog of housing needs which should be met. Hon. members will recall that during the short session I asked the Minister of Public Works whether, in view of the fact home construction starts were falling off—they are certainly falling off in my constituency and I fancy that is the general picture throughout Canada—the government might not be prepared to introduce some legislation to restore or to increase the number of homes being constructed in this country during the coming years. Of course, we get the answer again boasting of the number of completions which have been made and completely ignoring the fact that while a certain number of completions may have been made in the past year, the rate of home construction in Canada is falling off. There is nothing in the speech from the throne to indicate the government is aware of these extremely important issues.

Now, it seems to me, Mr. Speaker, that in a debate of this type we have some responsibility in bringing to the attention of the government the issues which we feel most important. I think that of all the immediate issues facing parliament at the present time, one of the most important is the suspension of rail operations on the Canadian Pacific Railway. I have this comment to make at the outset, that I can hardly conceive of any labour dispute which has occurred in Canada in recent years in which the general public has received so little information about one side of the case. I think it may be due to the fact that the public relations work of the railroad brotherhood has been a little weak and they have not been successful in getting their point of view across to the public. On the other hand, the Canadian Pacific Railway Company has done a very good public relations job in getting across its side of the story.

We find newspaper editorials in which it is categorically stated that firemen helpers are not necessary; they take that as being the ultimate. On whose authority do they make this statement? It is made simply as a result of the submission made by the railroad company, without consideration to the excellent case put up by the railroad brotherhood. There have been comments made in the press and by the general public about the calling of this strike. There have been suggestions made that the rank and file membership of the brotherhood did not have a vote on this particular issue. These allegations completely ignore the fact that this matter was introduced almost a year ago.

It was on February 1 of last year that the brotherhood of locomotive firemen and enginemen approached the company to negotiate a

new contract. After negotiations had commenced—as a matter of fact, after negotiations had been in progress for a week or so—the Canadian Pacific Railway injected the issue of the diesel rule. In other words when the two parties to the contract negotiations were sitting around the table discussing the issues which were negotiable, the railway company saw fit to inject an issue which is extremely important, an issue which affects not only the members of the brotherhood but the safety of all Canadians.

When the Canadian Pacific Railway Company submitted its proposal to eliminate firemen helpers from diesel engines in freight and yard service, identical proposals were submitted by Canadian National Railways and by some 140 railroads in the United States. The second point to bear in mind, Mr. Speaker, is that later in the same year, as a matter of fact on November 20, the Canadian National Railways signed an agreement with the brotherhood as did the 140 railroads in the United States. When we state, therefore, that firemen are not necessary simply because Mr. Crump and the C.P.R. say so, then we must take into consideration the fact that the Canadian National Railways and 140 railways in the United States have seen fit to sign an agreement with the brotherhood providing for the retention of firemen helpers on diesels in freight and yard service. The question then arises, who is correct? Is the C.P.R. right and all the other railroads wrong? Is everybody out of step but the C.P.R.?

May I call it one o'clock, Mr. Speaker?

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Ellis: When the house rose at one o'clock I was discussing the effectiveness of the company's propaganda in creating a climate of public opinion favourable to the railway company in connection with the present dispute between the Canadian Pacific Railway and the brotherhood of locomotive firemen and enginemen. I pointed out that the Canadian public, on a technical matter of this kind, is perhaps not fully acquainted with all the details involved in the dispute and therefore is likely to be misled in any conclusions arrived at. I feel that the effectiveness of the railroad company's public relations campaign, coupled with the fact of having many friends in high places, indicates one of the reasons why many of the newspapers in Canada are able to editorialize and create very misleading impressions about the nature of this dispute. I am quite sure that in this dispute we are very much disappointed with the action, or lack of action, taken by the government. I should have thought that the government would have used its good offices to promote an orderly settlement and perhaps to have averted this unfortunate stoppage of work on the C.P.R. Above all, I should have thought that the official opposition would have fulfilled their proper function and would have submitted some practical alternative. It could not be an alternative because the government had not made its wishes known; but certainly it could have given some advice to the government on how best to deal with this particular matter. But I understand that the Prime Minister has had in the past very close association with the Canadian Pacific Railway Company in his capacity as a corporation lawyer.

Moreover, I know that the leader of the official opposition has on numerous occasions gone to bat on behalf of the Canadian Pacific Railway. I know that in the agricultural committee last year the Leader of the Opposition was very quick to jump to the defence of the C.P.R. and to describe that company as being made the scapegoat in connection with the distribution of box cars. Therefore, in the circumstances the reticence on the part of members of this house to seek to convey to the Canadian public the facts concerning this dispute is most regrettable. I have particular reference to a letter which was presumably drafted and sent to all employees of the Canadian Pacific Railway Company but which, in my judgment, was intended mainly to be used as a propaganda weapon directed against the general public. In that letter, a very plausible sounding letter, very well drafted and over the signature of the president of the Canadian Pacific Railway Company, many misleading statements are made. Among the statements made by Mr. Crump is the one that there can be no dispute about firemen's wages or working conditions. The letter goes on to say:

> The conciliation board recommended wage increases totalling 12 per cent—the same as agreed on with other train service employees—and extra pay for six statutory holidays in yard service.

Of course, the thing we have to bear in mind today is that what the railway company is going to do is to negotiate with a group on the basis that that group would liquidate itself, so that any talk about wage increases, of course, begs the main question. As far as there being no dispute is concerned, I would draw your attention to the fact that when the

union presented its proposals last February 1 they asked for a 25 per cent wage increase, so that there is a reasonable dispute in connection with wages, but the major issue, of course, involves the diesel question.

I think I should point out at this time, Mr. Speaker, that in the United States the railway companies have signed a 3-year agreement with members of the brotherhood of locomotive firemen and enginemen calling for a general wage increase amounting to some 26½ cents per hour. Therefore, I think I can rightly say there are many issues in dispute. But Mr. Crump points out that there is no dispute on those issues, and goes on to say:

> There can be no dispute about firemen in passenger service. Passenger trains will continue to have firemen. The company proposes to run diesels without firemen only in freight and yard service. This will be a gradual change.

That is not what the Canadian Pacific Railway asked for in their submissions to the union and in their submissions to the conciliation board. As a matter of fact, the C.P.R. asked for the elimination of agreements, rules, regulations, interpretations or practices, however established, which require the employment or use of firemen helpers on other than steam power, and establish a rule to provide that the company shall have the unrestricted right to determine when and if a fireman helper shall be used on other than steam power. In other words, the C.P.R. says, we are not asking for that; it is not involved in this dispute; but in their submission before the conciliation board they asked for unlimited powers. The reason the Canadian Pacific Railway Company claim that they are not asking for the removal of firemen from diesels in passenger service is not that they are concerned about the safety of the travelling public, but rather that in order to heat the passenger cars it is necessary to have someone in the cab to take care of the steam generator. Therefore, there is no guarantee whatsoever that the railroad company might not at some future date use the unlimited powers which they are seeking, if they are granted, to remove firemen helpers from the diesels on passenger service. Then, Mr. Crump goes on and says:

> There is no dispute about the jobs of any firemen who have worked three years or more. They will stay on as firemen until they become enginemen.

This sounds very good to the average person reading it. They might think these people are being well taken care of; but how on earth can you guarantee employment as firemen if there are no jobs as firemen? Anyone who knows anything about the operation of railroads knows very well that runs are obtained on the basis of seniority, and if the railroad company is going to dismiss a thousand or more firemen almost immediately, then the chances of firemen getting employment at their trade are practically negligible. The only employment they are likely to obtain will be on steam service for the time being until the line is completely dieselized. Other advancements, of course, will be made possible only through the death or retirement of existing locomotive engineers. Therefore, this is somewhat meaningless when examined very closely.

Then, in similar vein, Mr. Crump goes on to point out:

> Nor can there be any dispute about firemen with less than three years service. They are to get other jobs with Canadian Pacific and without loss of their seniority as firemen. If they desire to leave the service the company will pay them a cash allowance based on their length of service.

Here again this is entirely meaningless, because there will be no work for these men as firemen, and what is the use of seniority as firemen if there is no employment as firemen? I think these statements made by the president of the Canadian Pacific Railway Company deserve some careful consideration by the people of Canada in order that justice might be done.

Then, the suggestion made by Mr. Crump that severance pay be granted is highly significant because, if firemen leave the employ of the Canadian Pacific Railway Company, it will not be because they desire to change their employment; it will be because they are virtually forced out of employment since there are no jobs as firemen.

There are statements with regard to diesels in passenger service. They say that there is no dispute, but at the same time the railway company is proposing that the firemen left in their employment on diesels in passenger service shall take about a 35 per cent reduction in salary. In spite of that, the railway company says there is no dispute. There is a great deal of dispute on every one of those principles, and yet the railway company is using big advertisements in every daily newspaper across Canada to give the public a very misleading idea of the issues involved in this dispute. As a result of this letter the president of the Canadian Pacific Railway Company is seeking to do two things. First of all, he is trying to create the impression that no fireman in the employ of the company will suffer as a result of the acceptance of the Canadian Pacific Railway Company's decision. I think the comments I have made give the lie to that assertion.

Furthermore, the Canadian Pacific Railway Company, through this letter, are trying to convey the impression that the board of

conciliation came out solidly on their behalf. Mr. Speaker, I draw your attention to the fact that even in the majority report of the conciliation board, the board gave only conditional support to the position taken by the Canadian Pacific Railway Company. As a matter of fact, in the summary of the conclusions arrived at by the conciliation board, they admit they have not considered this problem in its entirety. They state:

> The board has not undertaken to discuss and analyze all the evidence tendered in support of and against the company's proposal for a change in the "diesel rule", but it has taken all the evidence both pro and con into consideration and has examined all the exhibits and has weighed carefully the submissions and arguments of counsel for the brotherhood and for the railway.

In other words, they have admitted that they have made no study of the technical aspects of this particular problem. They have simply listened to the opposing arguments of counsel representing the brotherhood on the one hand and the railway company on the other, and they have arrived at their conditional decision on the basis of arguments pro and con.

The majority report goes on to say:

> The board's conclusion thus arrived at is that the company has established, in the main, its contention and accordingly we recommend that the company should be allowed to change the "diesel rule" which would allow it to operate locomotives in freight and yard service without a fireman in the cab upon the understanding, however, that if as a result of actual operating experience it appears that in some circumstances the services of the fireman (helper) might again be required, a modification of the rule might again be necessary and would then become the subject of further bargaining at a time when another agreement is being negotiated.

So that it gives conditional support. They said, "Let us try it out for a year and if it does not work out we will go back". If the safety factor is involved, is it not wiser to make sure there is no danger to the travelling public or to the employees of the railway company before making the change? Surely this is preferable to making the change and then waiting until there is a major train accident involving the loss of life and limb and personal property before the railway company recognizes the lack of wisdom in seeking to force this issue at the present time.

The majority report is by no means absolute in its support of the contentions of the Canadian Pacific Railway Company. And let us also consider the minority report. There is no more forthright denunciation of the proposals of the railway company than are contained in the report submitted by Senator Roebuck. In his minority report Senator Roebuck makes an excellent case on behalf of the people of Canada because there is more involved in this dispute than the question of the employment of a thousand odd firemen on the Canadian Pacific Railway. What is involved is the question of whether the railway company shall be permitted to take an action which will jeopardize the safety of the travelling public; that is the main issue.

In my own constituency my own children cross railway tracks on their way to school every day and this is true of many children in every city in Canada. Children being what they are they will play around switching yards. The railways are unable to fence off their property and ensure that the safety of pedestrian traffic and particularly children is protected and guaranteed at all times. I would hate to think of any children playing around railway yards where one side of the locomotives is blind, where there is no man on the left side of the locomotive. I believe this is something which should be of concern to each and every parent and citizen of this country.

If the railway proposal goes through and the second man is taken out of the cabs of locomotives in yard service going back and forth on to spare tracks it will be done only at the expense of jeopardizing the safety of the men, women and children who live in the vicinity of railway yards. Those are factors which the conciliation board admits it did not have the opportunity to examine in minute detail and that is the consideration the railway unions want to have examined in the minutest detail.

In examining the issues involved in this dispute I think one must consider the problem of the firemen themselves and the unsatisfactory assurances given by the railway company. As a matter of fact, Mr. Speaker, the majority report lays a certain amount of blame on the shoulders of the Canadian Pacific Railway. Concerning alternative employment for firemen the majority report at page 3 says:

> If the company had seen fit to accompany its proposal on the diesel issue with a concrete blueprint, spelling out in detail what provision it was willing to make for the 1,000 odd firemen who would be immediately cut off the payroll, and the not inconsiderable number of other firemen who would ultimately lose their employment if the company request were granted, the no compromise position which the union throughout maintained might have been at least in some respects relaxed or modified.

I think it is clear from what I have read that the majority report lays a great deal of the blame squarely on the shoulders of the railway company for not being more forthright and specific in its proposal to take care of the firemen who will be removed from employment, but as I have already indicated the major issue is the safety factor.

I can think of no better indication of the type of evidence presented before the conciliation board than that which can be gained by examining the type of witnesses who appeared before that board. Approximately 15 witnesses appeared on behalf of the Canadian Pacific Railway company and all of those people were executives. All but two of them were officers of the Canadian Pacific Railway Company primarily interested, of course, in safeguarding the interests of the shareholders of the company and inclined, of course, to place that consideration above all others. We know that as far as the union witnesses were concerned the brotherhoods brought in approximately 35 witnesses. Only two of their witnesses were foremen or men in supervisory work. All the other witnesses were men actually engaged in railroad operations including conductors, trainmen, brakemen and shop mechanics. All of these people gave evidence to the effect that in their opinion the removal of firemen from diesel locomotives could not be done without endangering the lives of both railroad employees and the general public.

It seems to me under that weight of evidence a strong case has been made for deferring any action on the question of the removal of firemen from diesel locomotives. It is also apparent to me that the locomotive engineers would perhaps have a more intimate knowledge of the role played by firemen and they have taken an unequivocal stand on this particular issue. They appeared before the conciliation board and pleaded with it to retain the firemen on diesel engines. Moreover, if you noticed the press report in one of the Toronto papers the other night you will be aware that the locomotive engineers in that city have stated categorically that irrespective of what might come of this dispute they are not prepared to take diesel locomotives out of the shops unless they are accompanied in the cab by a qualified fireman.

I believe that is a reasonable position for these men to take. They are the people best qualified to speak about the role played by firemen in diesel service. I think perhaps the terminology could be changed and firemen could better be described as co-engineers or assistant engineers. I think that is something which would go a long way toward eliminating some of the misunderstandings which presently exist.

It seems to me that we have to take into account the valued opinions of these people who are vitally concerned with railroad operations when coming to a conclusion on this broad issue. If everyone in Canada were in a position to read the excellent report submitted by Senator Roebuck the ground swell of public opinion would certainly be solidly behind the brotherhood of locomotive firemen and enginemen. In that report Senator Roebuck makes it quite clear that in the interests of the safety of the travelling public and the railway employees themselves it is absolutely necessary to maintain in the cab of diesel locomotives fireman-helpers. Reference is made to the fact that T.C.A. planes have co-pilots and I suppose it might be argued that one pilot could handle the controls of the plane.

We have to recognize today that dieselization has made it possible for the railway companies to run more trains, longer trains and faster trains. This of course only points out the need for increased vigilance. Now is certainly not the time to be taking out of the cabs enginemen whose judgment is extremely necessary in many cases.

I think Senator Roebuck sums it up very well in his report when he refers to the tremendous responsibility placed upon the shoulders of the locomotive engineer. On page 3 of his report he points out:

> There are few workers in the industrial life of Canada who bear so terrible a responsibility as that of the locomotive engineer in charge of a modern train.

And again:

> So long as trains have been running, the engineer has been furnished with an assistant, who, in addition to taking care of the mechanical needs of the locomotive and sharing the task of lookout, has been charged with the responsibility of observance of the operating rules and the train orders and has kept track of changing schedules and has calculated the time of meets. The fireman is the engineer's co-pilot. It is not given to mere humans individually to always be right, to never be mistaken, and it is the duty and function of the fireman to catch an oversight, a momentary failure to observe, or a miscalculation of the time of an approaching train or the speed under varying conditions of his own train on the part of the engineer, and thus to avoid what would otherwise result in some frightful accident in which two trains may be involved with hundreds of thousands of dollars in property and the life and limb of passengers and crews.

That is a most categorical statement by one member of the conciliation board who makes it quite clear that in his view the position of the railway company is very ill-advised. It seems to me that some effort has been made to suggest that the firemen are holding out against automation. May I point out that dieselization already has cost almost 3,000 employees of the Canadian Pacific Railway Company their jobs and there was no sign of a work stoppage. Those people accepted the inevitable technological changes. Those mechanics in the shops were replaced by the dieselization program of the C.P.R.

As a result of dieselization the C.P.R. has been able to effect very considerable savings. According to their own figures, in

1955 they saved some $18 million in transportation costs and an additional $6 million in the reduced maintenance of locomotives. One can therefore point out that dieselization already has brought about great savings to the Canadian Pacific Railway Company. No one takes issue with that fact. We are happy to see these technical changes taking place.

What is involved here is not a question of automation, it is a question of the safety of the public generally and of the train crews.

It seems to me that in this dispute, which I hope will be speedily resolved, we should recognize the validity of the position taken by the brotherhood. The brotherhood's argument is quite clear. They say that the conciliation board should have been armed with sufficient technical knowledge in order to bring down an opinion based on more than a refereeing between two conflicting points of view. Reference was made this morning by my leader, the hon. member for Rosetown-Biggar (Mr. Coldwell), to the fact that the three members of the conciliation board were lawyers. The Prime Minister (Mr. St. Laurent) could not see anything wrong with that, but I suggest that if we are going to have an objective study made of this problem we will have to have experts and not lawyers consider it. Lawyers may be quite learned in the law but when it comes to operating a railway I think we should have the opinions of people who know what they are discussing. Certainly that cannot be achieved with the type of conciliation board referred to previously.

I am hoping that the Prime Minister's statement today presages a breaking of the stalemate and the bringing about of an early resumption of the operations of the Canadian Pacific Railway Company. Clearly the position which the union has taken is quite logical and reasonable. They say that they are prepared to go back to work provided there is an undertaking that this matter will be referred to a board qualified to discuss the whole question and that the findings of that board will then be referred to a conciliation board.

The conciliation board to which we referred earlier admitted that it was not in a position to pass judgment on technical matters. The members of that board admitted that their judgment was based merely on the ability of the opposing counsel to put across the best point of view. Surely that is not the basis upon which an important matter of this kind should be settled.

I feel that the government has been lax in dealing with this matter. They have held over the heads of the employees the threat of compulsory arbitration. The example of 1950 is still fresh in their minds. At the same time the government has not paid the slightest attention to the reasonable proposal put forth by the leader of this group the other day when he suggested that in the interests of the railroad workers themselves and in the interests of the Canadian people there should be an immediate resumption of rail operations over the lines of the Canadian Pacific Railway Company and that if the railroad company was adamant in its refusal to meet that reasonable request the government should appoint an administrator to take over the temporary management of the C.P.R. and to see that the railroad trains are running as soon as possible.

I think that is the position as it stands at the moment. Negotiations are in progress and it is our earnest hope that the resumption of rail operations will occur at the earliest possible moment. I plead with the government to leave no stone unturned to see that the railway company are persuaded to adopt a proposal such as the one outlined by the Prime Minister today when he suggested that if the Canadian Pacific Railway Company were prepared to accept the same settlement as that granted by Canadian National Railways while this matter was being investigated there was no reason why railroad operations could not be resumed. I suggest that the failure to come to a settlement must be placed squarely on the shoulders of the Canadian Pacific Railway Company. Every effort should be made to bring about a resumption of rail operations. The onus now rests upon the railway company.

Mr. Gregg: The hon. member has complained of the fact that all three members of the conciliation board were lawyers. I am not going to argue with him on that but I would like to ask him whether, in view of the fact that two of the members are always appointed upon the recommendation of the two parties to the dispute, would he have the Minister of Labour refuse to appoint the nominee of management or labour if that person happened to be a lawyer.

Mr. Ellis: I have just been pointing out that one of the difficulties about this conciliation board report is the fact that the board based its judgment, not on facts but on the ability of opposing counsel to present their points of view. The railroad company appointed a good lawyer to represent its side of the case under courtroom procedure and the brotherhood of locomotive firemen and enginemen had no other recourse but to obtain the services of a lawyer in order that their point of view could be represented.

Mr. Castleden: Would the Prime Minister recommend a lawyer as controller?

Mr. Charles Cannon (Iles-de-la-Madeleine): Mr. Speaker, it gives me particular pleasure this afternoon to extend the customary congratulations to the mover (Mr. Hanna) and seconder (Mr. Robichaud) of the address in reply to the speech from the throne, not only because they made excellent speeches, well thought out, well composed and well delivered, but also because of the fact that they both spoke in the two official languages of our nation. I was particularly impressed by the fact that the mover, whose mother tongue is English, was able to speak to us at such length and so well in the French language. I was also impressed by the fact that the seconder, whose mother tongue is French, was able to speak to us at such length and so well in the English language. I congratulate these two members and at the same time I also wish to congratulate all members on both sides of the house who have been making the sincere effort that I have had occasion to observe during the last eight years to become more and more bilingual and to be able to understand and express themselves in the two official languages of our nation.

This afternoon, Mr. Speaker, I intend to deal with two of the subjects that are covered in the speech from the throne, the references to the North Atlantic Treaty Organization and the railway strike. Then I intend to discuss certain matters that concern my constituency particularly. In connection with NATO I find this reference in the speech from the throne:

> An encouraging advance is being made, as evidenced by the latest ministerial meeting of the council, in the development of the North Atlantic Treaty Organization in the non-military as well as in the military field. My ministers remain strongly convinced of the need to maintain the North Atlantic treaty as the keystone of the defence of the western nations.

Farther on I find this reference:

> Recent events have confirmed my ministers' belief in the importance of seeking solutions to international problems through the United Nations and of upholding by all practical and constructive means the principles of the United Nations charter. My ministers also believe, however—

This is the part I wish to emphasize.

> —that while making every effort to achieve these long term goals, the western nations must remain strong and united in their defences and in their diplomacy in order that aggressive action against them will be prevented and international tension can be lessened.

That paragraph evidently refers to NATO. As chairman of the executive committee of the Canadian NATO parliamentary association, I am of course pleased with these references to NATO made in the speech from the throne and I heartily endorse the attitude that the government is taking. I had the privilege of leading the Canadian delegation to the interparliamentary conference that took place in Paris from the 18th to the 23rd of November last, and I think that the best way for me to express to the house my thoughts and feelings about the importance of NATO at this time is to quote from a speech that I delivered at this conference of NATO parliamentarians. I said:

> When we were in Paris last year in the month of July the Geneva conference was taking place and the Russians were advancing their plans for peaceful coexistence putting on the mask of friendship and trying to give the impression that a great change had taken place in Russia since Stalin's death and that Russian policy was being liberalized, becoming more human and friendly. The Russian delegates to the Geneva conference declared their peaceful intentions and made disarmament proposals.
>
> One of the main consequences of this attitude taken by the Russians was to make some people doubt the necessity and utility of NATO and to bring to some governments of NATO countries the temptation to reduce their efforts to build up NATO's military defence forces in Europe.
>
> Some extreme optimists even expressed the view that before long NATO would no longer be so necessary and that the NATO countries would soon be able to diminish considerably if not abolish entirely their defence expenditures.
>
> But, Mr. Chairman, what a change now! The deplorable events that have taken place in Hungary recently have altered all that.
>
> The Russians when confronted by the courageous demands of the Hungarian people for self-government, for free elections, for the abolition of the farce that is the system of one-party elections and for the withdrawal of the Russian army from their country, showed their real nature; they removed the mask of hypocrisy and duplicity they had been wearing and gave free course to the brutality and the cruelty that have always been the hallmark of all communist regimes and particularly of the Soviet regime.
>
> After having received the demands of the brave Hungarian people, they pretended to negotiate the withdrawal of Russian troops from the country. During the so-called negotiations and directly contrary to the object of these negotiations, they brought into Hungary great numbers of men and quantities of military equipment, forged a ring of steel composed of 1,000 tanks around Budapest and made prisoners the legitimate government of the country and the very envoys with whom they were supposed to be negotiating.
>
> They then proceeded to drown in a bath of blood the protests and resistance of the Hungarian patriots.
>
> I submit, Mr. Chairman, that this unmasking of the Russians has greatly changed the NATO picture.
>
> There can no more be any doubt of the usefulness of NATO and the necessity of keeping defence forces strong and alert. There can be no doubt about the desirability of closer union between the different NATO countries and of tightening the cultural and economic bonds that unite them as foreseen by Article II of the treaty.

Those are my feelings, Mr. Speaker, about NATO, and I am pleased that so many members of the Senate and the House of Commons have shown their interest in NATO by joining our association. The importance of NATO

parliamentary associations has been underlined and I think there should be placed on the record an excerpt from the report of the committee of three, of which our distinguished Secretary of State for External Affairs (Mr. Pearson) was one, which was appointed by NATO to make a report. Their report has been issued recently, and paragraphs 58 and 59 of the report read as follows:

58. Among the best supporters of NATO and its purposes are those members of parliament who have had a chance at first hand to see some of its activities and to learn of its problems, and to exchange views with their colleagues from other parliaments. In particular, the formation of national parliamentary associations and the activities of the conference of members of parliament from NATO countries have contributed to the development of public support for NATO and solidarity among its members.

I say, Mr. Speaker, that is a very interesting and, in my opinion, very well deserved commendation of NATO parliamentary associations on the part of the members of this committee of three. They go on to say:

59. In order to maintain a close relationship of parliamentarians with NATO, the following arrangements are recommended:

(a) That the Secretary-General continue to place the facilities of NATO headquarters at the disposal of parliamentary conferences and give all possible help with arrangements for their meetings.

(b) That invited representatives of member governments and the Secretary-General and other senior NATO civil and military officers attend certain of these meetings. In this way the parliamentarians would be informed on the state of the alliance and the problems before it, and the value of their discussions would be increased.

I submit you have there, Mr. Speaker, a very useful and very interesting appraisal of the importance of associations such as ours. By chance, and purely by chance, our meeting in Paris in the month of November came at a very opportune time. I say by chance because, of course, the date of the conference had been fixed many weeks or months before the Suez canal difficulties arose and before, as a result of those difficulties and the events about which we all know, a certain division arose among the three principal, original members of NATO, namely, England, France and the United States. I say that our meeting was particularly well timed because it gave an opportunity to parliamentarians of the free countries to meet to discuss their differences of opinion, to thresh out the matter, I might say. I am convinced that these meetings, these conversations, these arguments if you like, did a great deal of good and helped to bring together the opinions of parliamentarians of these three countries.

The fundamental importance of the NATO parliamentary associations was brought home to us in 1955 by no less a personage than General Gruenther. When we went to supreme headquarters, SHAPE, in Paris General Gruenther gave us a briefing. One of the things he said to us was this. He said we must not forget that all the members of the North Atlantic treaty alliance are democracies and that in a democracy the very existence of the government depends upon public opinion. Therefore in a democracy a continuance of the policy of any government depends equally upon public opinion. If we wish NATO to continue to endure and to continue to give to the freedom-loving nations the service that it is giving, he said, we must interest public opinion in the NATO countries in NATO and the work that NATO is doing; and, said General Gruenther, the best way in which to interest public opinion in NATO and the work that NATO is doing is to get parliamentarians who are the representatives of the people, who are the representatives of public opinion in their different countries, interested in NATO; and the best way in which to do that is to organize NATO parliamentary associations in the different countries.

The Canadians who attended this meeting took an active part. Out of 14 members of the Canadian delegation there were seven speakers. Those speakers were the hon. member for Vancouver South (Mr. Philpott), the hon. member for Rosthern (Mr. Tucker), the hon. member for Verdun (Mr. Leduc), the hon. member for York Centre (Mr. Hollingworth), the hon. member for Nipissing (Mr. Garland), the hon. member for Quebec West (Mr. Dufresne) and myself. In proportion to the numbers of our delegation, I think that we had one of the best records. I do not think that any delegation had more than 50 per cent of their members making speeches. I say this to underline what an active interest our delegates took in the proceedings. While I am on this subject I wish to mention the fact that the two delegates sent by the Senate distinguished themselves. Senator McLean was elected head of the economic committee. Senator Dessureault took an active part in the deliberations of the political committee.

As you know, Mr. Speaker, we came back from this meeting of NATO parliamentarians in time for the short session which was called here in November to deal with the Suez matter. My experience at NATO confirmed this year the opinion that I had formed last year and convinced me more than ever of the necessity and the utility of these NATO parliamentary associations and their meetings.

I now pass on to the second subject with which I wish to deal and which is alluded to in the speech from the throne. I refer to the railway strike. I do not pretend to be an expert—far from it—and I have not gone

into the pros and cons of the matter. I am not going to express my opinion as to whether the railway company is right or whether the union is right. I am going to examine the subject from the point of view of the general public. From the point of view of the general public I must say that I think these strikes in public utilities are extremely deplorable indeed. I have had some experience in the matter because in 1950 I was privileged to move the address in reply to the speech from the throne in the special session that took place that year for the purpose of dealing with the disastrous railway strike when both of our railways were strikebound. I wish to quote briefly from a speech I made on that occasion. Dealing with strikes in public utilities I had this to say as reported at page 84 of *Hansard* of August 31, 1950:

In the province of Quebec, public opinion has already accepted legislation forbidding strikes in public utilities. In 1944, the legislative assembly of that province passed a bill decreeing compulsory arbitration in every dispute over labour conditions where a public utility and its employees were involved and rendering illegal any strike in a public utility under any circumstances whatsoever.

Heavy penalties are provided in this legislation for every day that such an illegal strike would last. This law is still in force and has given good results. It was enacted by a Liberal government known for its sympathy towards organized labour.

However our federal government did not want to incorporate this principle into the labour legislation of this country. It did not want to enact general legislation prohibiting strikes in public utilities and subjecting them to compulsory arbitration.

I wonder, Mr. Speaker, whether public opinion is not coming around now to that idea, now that we have had another railway strike within six years. I wonder whether public opinion would not accept legislation outlawing strikes in public utilities, based, of course, on the general principle that the general good must be given preference over the good of the individual or even over the good of a group of individuals. I do not wish to elaborate on the matter now but I wish to leave with the house the thought that three things might help in the future to avoid in railways and in public utilities strikes that are so detrimental to the economy and to the well-being of our country. Apart from legislation prohibiting strikes in public utilities there is also the thought that if there was less influence by outside unions on our unions in Canada, there might be fewer labour disturbances. If our unions were entirely independent and were not subject to the influence of other branches of so-called international unions, I think that situation might also help to avoid strikes. In the third place, I think that the method of voting on such important issues is surprising, to say the least. I was greatly surprised to read in the editorial of a newspaper—it is a well-informed paper and I have no reason to believe that what was stated is not true—that this strike which we are now suffering was decided by a vote of 36 men sent by telegraph, namely the 36 heads of the different unions that were involved. The workmen were never given the chance to vote. The workmen were never given the chance to declare themselves as to whether or not they wanted to strike. The thought that I am going to leave—

Mr. Nicholson: Does the hon. member suggest that the firemen are not behind the strike?

Mr. Cannon: You make your own speech some time. The thought I wish to express is this. If legislation were passed to oblige that a secret ballot be taken of all workmen affected by a strike, it might have a considerable effect in avoiding strikes of this kind in the future.

These are three suggestions that I make. I am sure that they will not all be adopted by the government at the same time but I am making them nonetheless and I underline these suggestions. Even if only one of these three suggestions were adopted, it might have a considerable effect in avoiding strikes of the kind from which we are now suffering.

(*Translation*):

Mr. Speaker, I am now coming to the part of my speech which deals with the fine county of the Magdalen islands, which I have the honour to represent in this house.

First, I wish to thank, in the name of my constituents, the right hon. Prime Minister (Mr. St. Laurent), the hon. Minister of Fisheries (Mr. Sinclair) and all those who helped secure President Eisenhower's rejection of the recommendation which had been made by the United States tariff board, suggesting the imposition of an additional duty on the importation of Canadian fish to the United States. If that resolution had been sanctioned by the president of the United States, it would have had disastrous effects on Canada's eastern fisheries and particularly on the Magdalen islands fisheries, inasmuch as a large part of their products are marketed in the United States. Therefore, in the name of my constituents, I should like to express my most sincere appreciation to the right hon. Prime Minister and to all others who appealed to President Eisenhower in this respect.

In the name of my constituents, I also want more particularly to thank the hon. Minister of Transport (Mr. Marler) for having authorized the fine modern airport, which is already in operation on Magdalen islands. Until now,

aircraft have had to land on the beach, which was at times fairly easy to do, but at other times not quite so easy. I am proud to say we obtained the building of this airport because conditions on the beach were not always the best. While I am on the subject of aviation, I want also to seize the opportunity of thanking the hon. Postmaster General (Mr. Lapointe) for giving us a daily mail delivery service. When I was first elected member for the Magdalen islands, we had only semi-weekly mail service. Some time ago, I had managed to obtain three weekly deliveries. Now, with the co-operation of the Postmaster General and the Maritime Central Airways, we too will enjoy a daily service.

The year 1956 was a good year for us. Our fisheries yielded about twice as much as in 1954. I do not intend to claim any credit for that increase, since it is due to the fact that fishing was better or that our fishermen were luckier. Besides, if I were to take credit for it, I would have to take the blame when fishing is bad, and everyone knows that the result of fishing is always rather uncertain.

However, I am convinced that the improvements made at the Iles-de-la-Madeleine these last eight years, improvements to the ports, the harbours and wharves, the slips which have been installed, the breakwaters which have been put up, the dredging which has been done to improve shipping, as well as the assistance given towards shipbuilding and the buying of equipment for our fishermen, have greatly helped my people to achieve these splendid results. That is why, finding that the value of the catch by the Magdalen islands fishermen in 1956 was twice as large as in 1954, I want to thank the government most sincerely for what they have done for my county.

I now come to unemployment insurance. Ever since I have been the member for the Magdalen islands—it will be eight years next summer—I have, at each session, untiringly asked for the payment of unemployment insurance to fishermen. At the last session of parliament, my efforts were successful, thanks to the understanding of the government and, more particularly, of the hon. Minister of Labour (Mr. Gregg). Through an amendment to the Unemployment Insurance Act, fishermen came under the act. Regulations are now being prepared which will apply to those cases, and which, I am told, will come into force not later than next April. Fishermen will then benefit from the act on the same basis as workers in other industries. There, again, is a great improvement for the fishermen of Magdalen islands.

[Mr. Cannon.]

Mr. Speaker, may I say a few words now on the subject of family allowances. My views on this matter I have stated in this house on previous occasions. I shall therefore limit myself to quoting from a speech I made January 17, 1956, on the occasion of this same debate in reply to the speech from the throne. Talking about family allowances, I said:

> Our great leader, the late Right Hon. W. L. Mackenzie King, was responsible for them and history will record that his decision to create family allowances was that of a great statesman.
>
> But over ten years have gone by and family allowances have not been increased. As everyone knows, the cost of living has increased enormously during that time, while the needs of children have not decreased. The means of meeting the needs of the children should be increased to keep pace with the cost of supplying them.

Then I said further:

> I have received representations, both verbally and in writing, from my constituents to the effect that they think it is time family allowances were increased. These people point to the increase in the cost of living since 1945 and the fact that government income available for purposes other than war purposes has greatly increased since that time. I agree with them, and I make an appeal to the government to increase family allowances. If they cannot double them, as requested in some quarters, they should at least increase them 25 per cent or 50 per cent. If it is impossible for the government to increase family allowances all along the line they should—and this is the minimum they should do—at least increase the monthly allowances of $5, $6 or $7 for the younger children to the $8 given to the older children, so the same scale would apply to all. This modification would not only benefit the children but would greatly simplify the administration of the act.

Such were my sentiments last year, Mr. Speaker, and such are they again this year. My constituents send me many representations, signed by hundreds of my good friends, people who admire the government and the right hon. Prime Minister, and who, despite the improvement with which they have been gratified and the good things they have received from the government, keep writing me to ask that family allowances be increased. I believe those requests are justified, and for the same reasons as were put forward by myself last year I say again that family allowances should be increased.

I would go even further and say, that, in my belief, family allowances are more important than health insurance. All people have children who need education, clothing and food; but not everyone becomes ill. I sincerely believe that it is more important to increase family allowances than to provide for health insurance.

In this regard, Mr. Speaker, I wish to emphasize the fact that unemployment insurance benefits paid to Magdalen islands fishermen will put several hundred thousand

dollars into circulation in this constituency. The estimate I have been given amounts to four or five hundred thousand dollars, and this will help our fishermen to get by until family allowances are increased. While I point out this fact, I none the less urge an increase of family allowances as soon as possible.

In the matter of public works, I should like to mention very briefly the main projects that should be undertaken in the Magdalen islands. To give an idea of the needs in the western end of the islands, I need only quote an article from the magazine *A Pleines Voiles* which is published at Ste-Anne-de-la-Pocatière and is interested especially in the welfare of fishermen. That magazine prints a column entitled "The Voice of the Islands" which I always read very carefully. I need not mention that the islands referred to are the Magdalen islands. Any Madelinot knows that when one refers to "the islands," one always means the Magdalen Islands. I quote:

Grande-Entrée is up and coming!

At the south of Grande-Entrée lies the Ile du Bassin. Between it and Grande-Entrée, the sea forms a marvelous little bay, sheltered from the winds, east and west, by the sand banks. If it were adequately developed, that bay could be turned into the best fishing harbour of the islands; it would be mostly suitable for all kinds of fishing, especially for lobster, halibut and cod. The required works would include the digging of a channel on the west side and the construction of a protective wall, docks and factories. Thus, the eastern part of the islands would be saved for fisheries and would enjoy the prospect of a most promising economic future.

Such is the project advocated by the religious and civil authorities of Grande-Entrée and by the taxpayers of that community. Such is the foremost proposition at the present time at the islands and everybody is in favour of it.

I spoke about it to the hon. Minister of Public Works (Mr. Winters). I am sure that he is interested in that project and I am confident that work will be undertaken this very year in order that this marvelous project may be implemented at Grande-Entrée.

Mr. Speaker, here are a few among the public works which will be undertaken at the islands and which are included in my program. A new breakwater at North Cape (Cap-du-Nord), a new breakwater at Dune-du-Sud to prevent silting, such as has been the case with the present structure, improvements to the harbours at Pointe-Basse and Cap-aux-Meules, construction of a quay or dock on the west side of l'Étang-du-Nord.

As regards harbour improvements at Havre-Aubert, the chamber of commerce there recently prepared a blueprint, a copy of which was sent to me and which I have forwarded to the Minister of Public Works. I am sure that department officials will find it most useful in planning future work at Havre-Aubert. I also take this opportunity to congratulate the members of the Havre-Aubert chamber of commerce on the spirit of initiative and of public duty they have shown in preparing this plan and in sending me a copy.

We also have an airport at Havre-Aubert, although not as large as the one built at Havre-aux-Maisons, to which I referred a moment ago. However, and precisely because it is a smaller one, it should be enlarged, maintained and improved. The reason is evident. Business is picking up at Havre-Aubert, as everywhere else in the islands, and it would not be fair to let this airport go to ruin. I have already asked the Department of Transport to enlarge it, and I will keep on asking that this be done. I am sure my good friend the Minister of Transport will admit that my representations are well founded.

We also wish to improve the wharf and the slip at Entry island and to deepen the harbour at Étang-des-Caps.

There, Mr. Speaker, is a short summary of what we in the Magdalen islands would require in the way of works for this year. I am sure that the government will favourably consider these requests which I am submitting.

Mr. Speaker, in the course of these few remarks, I have dealt with matters in the international, national and local fields. I wish to congratulate the Prime Minister for the important part he played in world affairs thanks to his friendly contacts with such people as the president of the United States, Mr. Eisenhower, and Mr. Nehru, the prime minister of India. It is a great satisfaction to our people to see that we can rely on the firm and sure guidance of the Prime Minister, the Secretary of State for External Affairs (Mr. Pearson) and the Liberal government in these particularly difficult times on the international level. Clearly the people of Canada are also very satisfied with their government, at the national level, and I am sure that new evidence of this satisfaction will be given by a resounding victory of our beloved leader and our party at the next general election.

(*Text*):

Mr. H. O. White (Middlesex East): Mr. Speaker, in rising today to take part in this throne speech debate I, like those before me, wish to extend my congratulations to the mover (Mr. Hanna) and the seconder (Mr. Robichaud). To the mover I just wish to say that I enjoyed very much the remarks that he had to make, and I regret

that I was unable to follow the speech of the seconder, but I did take the time to read it.

Each session of parliament each year, Mr. Speaker, seems to bring its particular problems, and this year of 1957, only in its 10th day, seems to be loaded with problems, even though the announcement expected today of the settlement of the strike will bring some measure of relief to many thousands of Canadians. It seems to me there are five problems that loom large on the horizon of 1957 in its 365-day run. I do, however, wish to say a word or two about the strike, and not only this strike but what might and could be done for the future. One other item of immense importance is the state of international affairs, with the Middle East the hot spot and the Kremlin engaged in making trouble wherever it seems to be possible or profitable for them so to do.

Another problem facing Canadians is that of inflation. We have heard a great deal about it. Much has been said about it in the 10 years since the war. There is also the problem of agriculture, the poor relations in a booming economy, and our $1 billion trade deficit, which the Minister of Trade and Commerce (Mr. Howe) says is an indication of the growth and development of this country.

Yesterday, the Prime Minister, in his speech dealing with the problems of the day, revealed the mailed fist in the gloved hand, and today the strike is more or less settled. All Canadians are alarmed at the recurring number of strikes and are asking for and thinking that there must be, some solution to the problems of relations between industry and labour, not only on the railways but in many key industries. They are alarmed at the influence exerted by persons outside of Canada in these labour troubles. They are also alarmed at the control outside of Canada of many of our key industries and raw resources.

I think the search on the part of hon. members of parliament for a solution not only to the rail strike which is concluding but concerning the question of strikes in major industries generally is an indication of the importance which they feel strikes assume in relation to the economy of the country and how they can cripple a nation if of long duration or extended to more than one or two industries in the country. The worst feature of such strikes is the fact that in many cases the innocent bystander is injured to a greater extent than is the industry or the men involved.

If a strike progresses the supplying industries become idle either through lack of raw materials or lack of markets and we find even today that as a result of the strike lumber, mining, manufacturing and agriculture all have been seriously affected. But the worst effect, in my estimation, is on the small businessman who lacking the resources of large corporations is not able to withstand the blow of the strike and in a short time faces economic disaster.

I am wondering if it would be possible for us, in regard to industrial strife, to apply our thinking as far as international affairs are concerned. Hon. members will recall that at the close of the first world war of 1914-18 there was set up at that time a league of nations and although it collapsed the idea and the ideal was to prevent an outbreak of another world war. If the United States had been prepared to play its part at that time the second world war might possibly have been averted. At the conclusion of the second world war in 1945 the nations got together again and set up the United Nations in the hope that it might avert a third world war.

In all democratic countries and in other countries, too, there are ethics, codes and laws which govern the relationship between man and man and for the settlement of civil disputes. Two parties engage in a lawsuit which goes to the courts and a judgment is handed down which is accepted as final and is enforced.

Similarly we have rules governing the field of sports. If we go to a ball game, a hockey match or a prize fight we accept the decisions which are made by the referee according to the rules of the game or the laws governing the sport. We have tried to achieve the same thing in the field of international affairs and possibly we have succeeded to a degree, but when it comes to the relationships between an employer and an employee we find we still have to slug it out until one side or the other succumbs or the government steps in. Whenever the government steps in it puts labour in a most unfortunate position because it leaves industry in the position where it can sit back and let the strike run its course in full confidence that the government will eventually intervene and end the strike. That is what we and labour generally do not wish to see come to pass in this country. Surely if we have developed to the stage where we have a tribunal for international disputes, civil law courts for the settlement of civil disputes and referees enforcing the laws governing the field of sports, disputes between labour and management can also be eliminated if the proper procedures could be brought into being which had the full confidence of labour and management and the Canadian people so that when a judgment was handed down

the weight of public opinion would make it almost necessary that the judgment be accepted by both parties.

For many years I have said in this house and outside of it that one of the solutions to industrial strife would be the introduction of profit sharing plans whereby labour becomes a partner with industry and shares in the wealth that the hands of labour have helped to create. It is interesting to note that more and more industries are adopting properly established profit sharing plans which are being enjoyed by many working people. Some companies have built up enormous resources for distribution to their employees. The strange thing about it, however, is that the leaders of unions are not interested in selling to employees the idea of profit sharing plans. They apparently seem to thrive on a certain amount of industrial strife. I hope, therefore, that before another serious strike is on our doorstep concrete action will be taken by labour and industry to avert such a disaster.

I wish to say a few words concerning our $1,000 million trade deficit and about trade in general. I noticed in the Prime Minister's speech yesterday he referred to the trade deficit and he used as a comparison a Canadian farmer who in the springtime would buy seed, feed and fertilizer and then in the fall would be able to make up his investment with the crop that he garnered. Our trade deficit is somewhat different and I am afraid a parallel such as the Prime Minister suggests cannot be drawn. We are buying this $1,000 million deficit from the United States of America but when the crop is harvested are we going to be able to sell it back to them? I do not believe it is possible. The United States is being very careful to see that any attempts made to sell our goods to that country are met with irritation, restrictions, uncertainties, give-away programs and a disregard for the GATT treaties. Consequently the easy solution suggested by the Prime Minister is not practical.

I also found it interesting to observe that it has been only during the last few weeks that the Prime Minister has become so acutely interested in the problem of the farmer and I am wondering if the proximity of an election has had some effect on his thinking as far as agriculture is concerned.

The argument is being advanced that we must buy from abroad in order to sell abroad, but the joker in the pack, so far as that argument is concerned, is this. Canada is a great producing nation, yet we are buying a great many agricultural products from abroad, products which we as Canadians could produce. Those products purchased abroad provide dollars with which foreign countries are able to buy Canadian manufactured products. They do not buy Canadian farm products. Actually the Canadian farm economy is being exploited to provide markets for manufactured goods.

There is another disturbing factor as far as agriculture is concerned and that is that in this inflated, high-cost economy we are being undersold by many countries. Our industries are protected by tariffs while many farm products are protected only for short periods of time, in some cases for as little as three weeks. I wonder why this is being done. I should not wonder because I think I know the answer. This government has found by experience through several elections that between elections they can kick the farmer around but when the next election rolls around the farmer will still vote for them.

It is interesting to note and I mention it again that yesterday and recently the Prime Minister (Mr. St. Laurent) dealt with agricultural problems. It is interesting to note that the right hon. Minister of Agriculture (Mr. Gardiner) and others have been quoting statistics to prove how well off agriculture is, but I want to say to the government that agricultural statistics are not negotiable, they do not pay taxes, they do not buy feed, seed and fertilizer nor do they pay the interest on the mortgage. If they did, our farmers would be tickled to death because they would be able to get along. But the fact is that agricultural statistics do none of those things.

I was interested also in what the Prime Minister had to say about his golf game. He seemed to be able to improve his golf score and his social relations with the President of the United States but apparently he was not able to reduce the $1,000 million trade deficit by any appreciable degree.

Mr. Fraser (Peterborough): Ike took him for a ride.

Mr. White (Middlesex East): There has been another interesting development in recent weeks. Last session we engaged in a very acrimonious debate regarding the Trans-Canada Pipe Lines Company. I see now that Trans-Canada and Tennessee Transmission have entered into a deal which probably will cost the Canadian gas producers and Canadians generally anywhere from $5 million to $10 million a year.

An hon. Member: Propaganda.

Mr. White (Middlesex East): You will have a chance to answer all these questions in the not too distant future and it will take more than gas to answer them satisfactorily. If the government has an agricultural policy it cer-

tainly is not known. I notice that when it announces some decision the federation of agriculture shortly adopts it as their policy. In other words the hookup between the right hon. minister and the federation apparently is very close.

While I am dealing with our trade problems I should like to say a little about the problem of inflation. For many years Canadians have been led to believe that the Bank of Canada by controlling currency and credit controlled the bank rate, but now when the issue is becoming a hot one we see news items in the papers and otherwise stating that the bank rate is controlled by the sale of treasury bills as they are bid for and sold each Friday. But they fail to tell you that while the chartered banks, brokerage firms and others can buy and sell treasury bills, the Bank of Canada is also in the market and can control the bank interest rate while saying to the public that they have nothing to do with it.

I might mention for the information of the house that I called up the Bank of Canada this morning and tried to get hold of one of these treasury bills. They told me that they were easily negotiable and were worth from $25,000 right up to $1 million. They did not provide me with one but they told me what they looked like.

An hon. Member: Did you buy one?

Mr. White (Middlesex East): No, I did not buy one. The average Canadian is asking who is fooling whom about this bank rate and is the increased bank rate likely to do the things it is proposed it will do as far as inflation is concerned. We have been told, and I think I am prepared to believe it, that inflation can be brought about in two ways. It can be brought about by a surplus of money—I do not know of any farmer in Ontario or anywhere else who would know anything about a surplus of money—or by an undersupply or scarcity of goods. By making it more difficult for businesses to carry on, an increased interest rate becomes part of the cost of goods sold. Industry is discouraged from producing and this brings about a further scarcity of goods rather than making them more plentiful. I cannot see how the measures which the government is favouring will eliminate a scarcity of goods which is partly the cause of inflation and the desire on the part of many people to purchase them.

It also discourages the building of houses. An increasing number of Canadians desire to own homes but as was admitted today in the house there is a decreased number of housing units being built. It is also likely to make these units more expensive.

As I mentioned before, by the expansion of money the productive industry of this country is going to be discouraged, which will result in further scarcities. I note that the president of the Canadian gas association has stated that gas distribution is likely to be seriously threatened, which in turn will affect the sale of gas-burning equipment. Consequently the householders in every city where gas may be distributed will be affected. On the other hand, luxury items enjoy a bigger spread or margin of profit, and those industries are not likely to be as seriously affected as are the industries supplying necessary goods. But curtailment of credit affects every Canadian industry adversely.

There is another rather alarming angle to this, Mr. Speaker, and it is that the credit curbs do not affect United States investors. They can bring their money over here and invest it. That is exactly what is happening; and the thing we wanted to get away from, more and more control by Americans of our raw resources, is going to be magnified and increased rather than decreased by the action of the government in its attempt to control inflation. In my opinion the controls are just ten years too late. If the government had thought about this when it was mentioned years ago instead of now when the dollar is only worth a few cents they would have been doing something.

It is of interest to note when I am talking about interest rates that I had as a visitor at my home just a week ago an agricultural expert from Switzerland. I asked him about the value of farm property there, and he told me the average would be $1,000 per acre. I asked him about the price of milk and other products produced there and I said, "How in the world do you ever pay off the mortgage if you buy a 60-acre farm for $60,000?" He said, "Why, the people in Switzerland who have money do not want us to pay off the mortgages. They will lend us money at approximately 2½ per cent and they are glad to have these mortgages go on for generations as long as they are sure of their 2½ per cent." I am not certain what rate is being charged today by the Canadian

farm loan board but I imagine it is around 5 per cent, or double the rate at which the Swiss people are able to borrow money in the form of farm loans.

I would also point out that Switzerland has money for export. The people of Switzerland are not going to the United States for money to develop their country. Yet although Canada has vast resources, people from the United States are able to come here and invest their money because we are so poor from paying taxes. Thirty-one cents out of every dollar that we take in goes out in taxes to our government. No wonder we have not money to invest in our natural resources.

It is also a bit alarming to read that some 500 bankruptcies occurred during the past year, or almost up to the level of the depression years. Curtailment of credit will not bring about an increase in goods, and therefore I doubt whether it will be very effective in controlling inflation.

It has not been my practice in the past to say anything about international affairs because there were others who were making detailed studies of the problems, but the developments during the last few months have struck home into the hearts of every Canadian, and I think what I have to say reflects the thinking of the vast majority of my constituents. The resignation yesterday of Prime Minister Eden came as a shock to most of us, but it only served to bring into focus the tremendous burden under which the leader of the United Kingdom government has been labouring for many months.

We should not forget that when Eden and Mollet were endeavouring to prevent a communist coup in the Middle East, brought about by the ineffectiveness of the United Nations, the Canadian government played a role that tormented France and Britain and gave solace to our enemies. Last night's news only served to emphasize that statement. The United States, in the midst of a presidential campaign, chose to be against Britain and France; but now we see the president and congress trying desperately to regain lost ground. Resolutions of the United Nations condemning Britain and France were adopted, but I think more and more people will come to the conclusion that the only mistake Eden made was that he left the Middle East too soon. Britain and France left in the hope that their retirement would help the cause of world peace and would preserve the United Nations.

Have Russia or Hungary respected the pious resolutions of the United Nations? While untold thousands suffered the United Nations dared not even send an observer to Hungary. It is rather interesting to note that Mr. Nehru has been shocked by the events in Hungary. I would suggest it has taken him a long time to realize what most of us in the western world have known since the close of world war I.

It has been my privilege to meet some of the Hungarian refugees and to hear something of their desperate fight for freedom at first hand. But what did the United Nations do? Nothing but talk. Hungary has revealed to the world that the will to be free is strong in the face of terrible odds. Hungary has revealed the communist world in its true light, ruthless and out for world conquest. Hungary has revealed the United Nations as an idealistic but impotent force. The United Nations must face realities or perish.

I turn to another phase of Canada's role in international affairs, that of foreign aid. In the past I have supported enthusiastically the Colombo plan and other plans devised to assist the so-called have-not or backward nations. But when the Suez crisis arose some of these so-called have-not nations were able to put into action a more efficient navy and air force than Canada is able to summon after spending nearly $2 billion a year since Korea. This makes me wonder whether we can bribe these foreign countries or buy their loyalty. I am afraid that all that is happening is that they are damning us because we do not give them more. At the very time we were able to supply this foreign aid the maritimes asked for financial backing for their bonds to build hydroelectric and other projects, and they were even refused the backing of the federal government. In western Canada there are many developments that could have been undertaken but they were held in abeyance, probably for the next election.

As far as I personally am concerned, events in the past few months have but served to sour the milk of human kindness. The government and all Canadians should work to strengthen the ties of the commonwealth, because after all the commonwealth of nations is probably the single greatest factor for peace in the world. I think the role of the commonwealth should be as a balance of power between the United States on the one hand and the U.S.S.R. on the other. As such it can probably maintain the peace of the world, but only if we have a strong, united commonwealth.

Trade policies and all other measures that can be devised should be aimed at

bringing the commonwealth together. Finally I say to the Secretary of State for External Affairs by way of paraphrase of psalm 144, "Lead us not into captivity."

Mr. Elmore Philpott (Vancouver South): Mr. Speaker, first may I add my congratulations to the mover (Mr. Hanna) and the seconder (Mr. Robichaud) of the address in reply to the speech from the throne. In doing so may I say that I am reminded of a little story I heard in Edmonton on my way through. It seems that there is always a great deal of argument between the city of Calgary and the city of Edmonton. Calgary boasts of having more chinook winds. The best reply I heard from Edmonton was that Edmonton has the sunny smile of Dick Hanna, the hon. member for Edmonton-Strathcona.

As to the graceful speech we heard in French from the hon. member for Gloucester I thought to myself yesterday that we in this house sometimes forget that we owe two debts to the people who speak so eloquently in the French language. In listening to those from Quebec who speak so often and so well in the French language, we sometimes forget the contribution made by the other French-speaking group, namely those from Acadia. I refer not only to such members as the hon. member for Gloucester but the hon. member for Kent, N.B. (Mr. Michaud) and other Acadian members.

While I am still in the congratulatory mood, and before I get around to the strike, may I also congratulate my old friend the new Leader of the Opposition (Mr. Diefenbaker) on the skilful way in which he spoke yesterday for nearly two hours, I think, and said absolutely nothing.

Some hon. Members: No, no.

Mr. Philpott: I thought he did a much better job the night before on television. I thought we perhaps have a new television star arising in Canada. I think the new Leader of the Opposition was better when he was explaining his own omissions or errors or whatever you call them that the newspapermen were putting up to him than he was yesterday when he was setting out to criticize the government. It seemed to me that he did not say yes and he did not say no. He was waiting to see whether the government was going to do something, in which case he would have said they should have done nothing; or he was waiting to see whether the government was going to do nothing, in which case he would have said that they should have done something.

Before I talk about the strike I may say that I know the Minister of Labour (Mr. Gregg) is waiting for some extremely good news later on in the day. As far as I am concerned, I am quite willing to sit down at any time when he has that announcement which we are all waiting to hear and about the coming of which the hon. member who spoke immediately preceding me did not seem to be so pleased.

I do not want to keep the house too long on this matter, but I for one believe that we are now successfully coming to the end of one of the most potentially dangerous situations that we have ever had in Canada. I for one believe that this extremely difficult situation we have had in the past couple of weeks in Canada has been admirably handled by the present government. It seems to me that there were two clear-cut issues involved in this work stoppage. The first issue involved that certainly directly concerns us here as members of parliament, lawmakers for this great Dominion of Canada, was this: Should a democratic parliament in a democratic country forbid such a strike? If so, should it do so under all conditions or just under some conditions?

I submit, Mr. Speaker, that it would be a terrible mistake for Canada or any other democratic country that prides itself on freedom of action to put an arbitrary ban on the right to strike of any great group of Canadian workers, whether those workers happen to be railway workers or others. I am quite well aware of the fact that in a utility such as the great railroads where actual life and death, and the prosperity of so many of the people, depend on the continued service of the railway, no government—neither this government or any other one—could long permit an interruption in the service of so vital a utility. But in a true democracy I submit that you must always balance the things on both sides.

I know that in any police state, whether it is a fascist police state or a communist police state, the first act of any dictatorial government in regard to the industrial set-up of the country is to forbid the holding of strikes. I believe that any democracy—and this applies to Canada or any other democracy—takes an extremely unwise step when it arbitrarily passes an over-all law forbidding a strike. But in any event, surely the proof of the pudding is in the eating. I think the diplomatic, wise and fair way in which the government of Canada has handled this present work stoppage in Canada, as to which we all hope at any time to hear of an amicable settlement having been arrived at acceptable to all concerned, is surely the preferable way.

We all know that the basis on which this work stoppage is going to be settled, when

it is settled, is this. It will be settled on the basis that work will be resumed more or less on the basis of the status quo. There will be certain adjustments of wages and so on. There has been no great insoluble problem in that regard. The main problem which has not been settled will be left to further consideration under some kind of a fair test by some sort of tribunal which will carry more weight with the Canadian people.

I cannot share the suggestions made earlier this afternoon by my friend the hon. member for Regina City (Mr. Ellis) in two respects. I certainly cannot share with him the suggestion that the government of Canada should go to the arbitrary length of putting in a controller to run the Canadian Pacific Railway. The C.P.R. is an institution of which every Canadian citizen should be proud. There is nothing in our whole national life that has contributed more to the welfare and prosperity of this great Canadian nation than has the great Canadian Pacific Railway. We ought to be proud of the management. If the management has some kind of suggestion which it thinks will improve the operation of the railway, of course every sensible person will listen to that suggestion.

In the second place, I do not agree with the hon. member for Regina City when he says that no lawyer should be allowed to sit on the board. I was a little bit puzzled by his speech, because he spent exactly half his time lauding the findings of one lawyer who happens to be on the board—perhaps because he is a Liberal lawyer—and denouncing all other lawyers and saying that no lawyer should be allowed to sit on the board.

Mr. Knowles: There has to be an exception to every rule.

Mr. Philpott: I have no objection to lawyers, so long as we do not get too many of them at the same time. It seems to me that there were two things wrong with the conciliation hearing which was held. The first thing that was wrong was quite simple; there was not enough publicity. I am a member of this House of Commons, Mr. Speaker, and I try to do my job, as I think most of the other members of this house do. I, for one, confess that I know practically nothing about the findings of the board of conciliation except what I have read in the newspapers since this strike started. I think we have to have a tribunal of the kind that will focus the whole publicity of this country on what is involved in this issue, because the most binding law in any democracy, including Canada, is the law of common sense.

What is involved in this work stoppage is this. Is it or is it not safe to operate diesel engine locomotives with a one-man crew? I submit that contrary to what a good many people seem to assume, the only conclusion reached by two of the three members of the conciliation board was what I would call the old Scottish verdict of not proven. Certainly they did not settle the argument, and in my opinion the argument cannot be settled. As a layman who has travelled quite often over the railway lines of both systems to the far west coast, I am very much in the position of the man from Missouri when it comes to saying that a one-man crew can ever safely operate any kind of engine down through the Fraser valley, whether it is on a passenger train or a freight train. I have been on those trains when it has taken a whole 24 hours to go from the peak of the Rocky mountains down to the coast, and when they required all their crew up in the front end to be on the lookout for the hazards of the day.

I say, therefore, nobody should assume that because this tribunal is going to be set up to focus the attention of all the people of Canada on this great question, is it or is it not safe to operate diesel locomotives with one-man crews, that the finding is automatically going to be that it is safe at all times and in all circumstances.

I have here a brief submitted, certainly to myself and I assume to other members of parliament, by local 657 of the brotherhood of locomotive engineers. I would submit that the locomotive engineers of Canada are a most responsible body of men in whose hands we literally entrust our lives day after day, week after week, all year round. Here are some of the things they say on page 2 of this brief:

> It would not be possible or practicable to list here all the incidents in which the fireman helper has established his worth, the saving of human lives and valuable property. However for the purpose of this review the following is set forth: When trainman Martin on August 22nd, 1955, got off the engine at Glacier, B.C. in order to make a running inspection of his train he slipped and his body contacted the spring rigging of the lead Diesel unit he continued to turn over and over in a rolling fashion, but unable to get away from the side of the locomotive. Fireman helper, Saari, was at his station, and because of his instantaneous action the train was brought to an immediate stop. Trainman Martin suffered among other injuries a broken back. However he has now recovered and has resumed his normal occupation, but he freely states that but for the fact that the fireman helper (engineer's eyes) it would be impossible for him to be alive today.
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> On September 30, 1950, a locomotive was being turned on the Wye at Glacier, B.C. In the absence of a trainman the fireman was throwing switches; a child playing on the left side of the engine which had passed out of the view of both the engineer and the fireman was struck down and died 24 hours later. It was without question established at the coroner's inquest that if the fireman had been at his station in the cab of the engine, this tragic death could not have occurred.

Therefore, Mr. Speaker, I submit when this tribunal sits, as it will sit to settle this question of whether one-man operation is safe as well as efficient for the country, the men who actually operate the trains, whether they are passenger trains or freight trains, will have to have their say and they will have to have their say in a forum which will enable the people of Canada to hear what they are saying. When the tribunal makes its findings, in my opinion all of the people of Canada, who are 99 and 44-100th's per cent law-abiding, will loyally accept the findings.

There is one point I should like to make here, and it is this. There is no greater fallacy than the idea that the trade unionists are automatically opposed to automation. There is no class in our whole industrial society in North America so well aware of the value of the machine in raising wages as the skilled mechanics who operate those machines. Every skilled mechanic who operates any kind of great machine knows that the more expensive the machine he is operating, in 99 cases out of 100, the higher are his wages because the more skilled person he has to be to operate that machine. As Walter Reuther and other great trade union leaders have pointed out in recent months, labour is not opposed to automation; trade unions are not opposed to automation. All the trade unionist demands is that there should be a fair transition from the old methods to the new.

No, Mr. Speaker; labour knows very well that the machine is the best friend of the man who operates the machine, and that the more machines you have in the country the more of the products of the machines you have to divide amongst your population. The difference between a very poor and backward country and a very rich and advanced country, like Canada or the United States, is that we have the machine as our servant and other people do not.

I wish to turn now, Mr. Speaker, very briefly to one other topic. We are going to have an election this year. Contrary to what some of my friends opposite might expect, I make no prediction. I think that is presumption on the part of anyone who really attempts to believe in democracy. I say to my hon. friends whom I see smiling over at me that I hope they do better this year. I am all for them. I believe in the two-party system. I think that alternatives to the present government are always necessary if our democracy is to have real vitality. I rejoice in the fact that the great Conservative party has found a fit and worthy successor to that great Canadian who sat for several years in the position of leader of the opposition. I refer, of course to my old friend George Drew.

In my opinion the election of 1957 is going to hinge very largely on one important point, and that is which party which is or aspires to be the government of Canada can contribute most to the paramount question in the world today, the question of war and peace. I submit that there is no more practical team of peacemakers in the world today than the team represented by that great and distinguished Canadian the present Prime Minister of Canada (Mr. St. Laurent) and his associate in the field of foreign affairs, the Secretary of State for External Affairs (Mr. Pearson). I submit that on their own record they are the most practical pair of peacemakers in the world today.

As I see it, the foreign policy of Canada, the peacemaking policy of Canada, is based on four solid cornerstones. The first solid cornerstone of the Canadian peacemaking policy is Canadian nationality, pride in Canada as a dominion—yes, I am proud of that term "dominion"—but as a nation, too. Only this week some of us here witnessed the ceremony of the unveiling of that fine statue to that great Canadian and Conservative, Sir Robert Borden. I listened, I think it was last night or perhaps it was the night before, over the radio to someone interviewing the very distinguished woman sculptor who did that fine statue of Sir Robert Borden. The young man who was interviewing this great artist of whom every Canadian should be proud asked this distinguished Toronto lady what it was she looked for in Sir Robert Borden to try to put in that bronze and on that stone. She said this: "When I read and reread the life of Sir Robert Borden I found that he was a great Canadian nationalist". She said, "I got his Canadian nationhood standing foursquare in the way that he has his two feet planted on the ground". The only place I ever differ with my hon. friend's opposite in the official opposition is when they sometimes think there is some conflict between a robust Canadian nationalism and a 100 per cent loyalty to that great organization that we call the British commonwealth.

I submit that the second cornerstone in the peacemaking policy of the present government is the undying loyalty to and fervent faith in the great organization which we call the British commonwealth. No government that now exists or has ever existed on earth has done more to maintain and strengthen that great organization than this present Liberal government of Canada that sits here today. If I had to choose between all the

international organizations that exist, between NATO and the United Nations and the British commonwealth, and I could have my say so we could keep only one of those international organizations, without a minute's hesitation I would say, "I will stand by the British commonwealth" because the British commonwealth is an organic thing that has grown up on the basis of the actual trials and tribulations of history over the centuries. We must keep the British commonwealth and keep it alive and vital. Where I sometimes differ from some of my hon. friends is that the British commonwealth they have in mind is a purely imaginary thing. We are dealing with a British commonwealth that actually exists.

We had a crisis not so many weeks ago over Suez. In my opinion it was an entirely unnecessary crisis; for every good thing that that great statesman, Sir Anthony Eden, tried to do in the wrong way by his ill advice, perhaps stupidly, without consultation, he could have done more effectively in the right way, keeping the 100 per cent support of the British commonwealth and of all the loyal members of the United Nations. I submit that on that occasion we had the third and fourth cornerstones of the peacemaking policy of the present Liberal government of Canada very well exemplified, because Canada stepped into the breach to restore and bridge again the gap that had been developed between the great allies of this western alliance. Canada stepped in to repair the damage that had been done to the United Nations. If that was disloyalty to the British commonwealth, as I have heard some people suggest, it is a very strange kind of disloyalty indeed.

When I was reading of the very great and historic events that have taken place in and around the holy land, Egypt and the Suez canal in the past few weeks, and especially when I got to thinking that the actual war itself had started in the Sinai peninsula, the very spot where Moses, the great lawgiver himself, brought down the ten commandments that became the basis of all civilized law wherever civilized men are, I went back to the original source and read the fascinating story. I read all about Gaza. We have been reading about Gaza and the Gaza strip in the last few weeks, and so on. I heard of another man who was operating in Gaza some thousands of years ago, and how he went down and confounded his enemies by making them a bet that he could come up with a riddle they could not answer in several days. Now, I know my old and good friend from Fort William would have answered this riddle in two seconds, but they were not as lucky several thousand years ago in Gaza as he is.

The riddle which Samson asked his enemies was this: "Out of the eater came something to eat; out of the strong came something sweet". Day after day went by, and they could not answer it. Well, of course, if you read the Bible story in Judges XIV you will see that he found a bee's nest in a lion's carcass. The honey was in the lion's carcass and the sweet came out of the strong meat.

In this great Suez crisis we started out with what appeared to be a terrible tragedy, the falling out of old friends and old allies, even a threat to split the British commonwealth itself. How did it all end? Because we had a practical peacemaker on the job in the person of our Secretary of State for External Affairs, he snatched victory from defeat. "Out of the eater came something to eat; out of the strong came something sweet". We achieved a victory from the defeat, because the suggestion of our practical peacemaker, the Secretary of State for External Affairs, was to set up a United Nations emergency force which, in fact, did restore peace in that part of the world, as Sir Anthony Eden himself said only a few days ago. In my opinion what has been done in Suez is only a beginning.

I am glad to say that in recent weeks at the United Nations our Canadian delegation has gone one step farther and has made the practical suggestion that there should be a uniformed United Nations force always ready to go into action at a moment's notice in the hot spots of the world. I submit, Mr. Speaker, it might have made a great difference had we had even a small force built up on a permanent basis, sworn under an oath of loyalty to obey the United Nations and not any one particular nation in the United Nations; highly mobile, with laws of its own, discipline of its own, and a uniform of its own—and how important is a uniform. How important did we find the uniforms of our own mounted police in the old days of the wild western frontier, when even the scarlet coat of one lone constable, or the scarlet coats of a pair of constables, was the moral force which symbolized to turbulent elements the presence of law and order.

I say this, Mr. Speaker, because when you have situations like that and such as those which exist to a certain extent on the world front today, it is not the actual physical strength of the force of policemen on the front line but it is the uniform they wear and what they symbolize in the way of strength which can be drawn in to establish the principle of law.

I submit that in recent weeks with regard to the Suez crisis we took an important and significant step—a short step, yes, but a significant one—toward the day when law shall apply among the nations, when "nation shall not lift up sword against nation, neither shall they learn war any more".

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, I feel a bit diffident after listening to oratory such as we have just heard. With some of what the hon. member said I heartily agree, pertaining to the British commonwealth in particular, but there are some things he said which I would receive with very serious reservations.

However, in beginning my remarks I wish to congratulate the mover (Mr. Hanna) and seconder (Mr. Robichaud) of the address in reply to the speech from the throne. I believe I can do that more honestly and sincerely than I have been able to do the similar thing, on any previous occasion. I was happy to hear two young men give good speeches in full sincerity, putting their whole hearts behind everything they said, which is a pretty rare thing to find in speeches moving and seconding the address in reply to the speech from the throne. Both hon. gentlemen expressed thoughts which I believe were entirely worthy of expression.

I should congratulate the hon. member for Prince Albert (Mr. Diefenbaker), my longtime friend, who has just been elevated, as we all know, to the very difficult position of Leader of the Opposition. I scarcely know exactly how to go about saying what I want to say to him. I congratulate him for the honour that has been conferred on him in that the members of his party have seen fit to entrust their future to his hands, but I can also condole and commiserate with him on the health-breaking and heartbreaking responsibilities he has assumed.

I have been here for 21 years, Mr. Speaker, and during that time I have seen leader after leader after leader of the opposition come and go. Among those who came and went was the Right Hon. R. B. Bennett who, in my opinion, was one of the greatest statesmen Canada has produced but this man was broken by the Conservative party. Now why, I never could make out, unless it was that being accused of being responsible for the depression by misrepresenting Liberals, one of the greatest lies ever perpetrated on the people of Canada in the history of this country, he was defeated in 1935. Well, now, he was the first one, and then we had a group following in quick succession. We had Hon. John Bracken brought in—

An hon. Member: What about Mr. Manion?

Mr. Blackmore: Yes, but I am not going to name them all because the list is too long. However, here was Mr. Bracken who was brought down from Manitoba where he was in a position in which he would have been honoured and doubtless retained for the rest of his life. He was brought to Ottawa and broken here by this great machine called the Conservative party within a very few years. It certainly was not because of a lack of ability. The west has been proud of Mr. Bracken; I am proud of him. Somehow or other he did not fit in with the Conservative party. I do not intend to go down the list in detail.

Mr. Brooks: You were once leader of the Social Credit party.

Mr. Blackmore: Well, now, if you would just let me deliver this speech I can assure you I will get around to all of you in due time. I think I am quite capable of delivering my own thoughts. If I fail just suggest it to me, please.

All right; I will proceed. The Leader of the Opposition is going to be faced with three or four extremely serious problems. The first one is to be able to say and do something that will be different from what the Liberals are doing and saying.

An hon. Member: He has been invited to join them.

Mr. Blackmore: I do not hesitate for a moment to say it will be next to impossible even for the legal mind of the present Leader of the Opposition to find one single, solitary fundamental difference in any respect whatsoever between his party and the Liberal party. When the hon. member for Vancouver South (Mr. Philpott) talked about an alternative he certainly must have been unrealistic to the highest degree. There is no alternative to the Liberal party in the Conservative party; there is in the Conservative party no alternative to the Liberal party in any way, shape or form. I would invite the hon. member for Vancouver South, when he thinks he has had enough preparation, to get up and establish that there is.

The Leader of the Opposition will have this difficulty, too, the difficulty of finding money with which to fight elections. I have an idea that the Liberals pretty well have a monopoly on the one source in the Dominion of Canada from which a party could likely get plenty of money. The Leader of the Opposition will perhaps be able to get a share of that money, but I am not sure; and that is one of the things which will break him down.

He will have this difficulty, also. When he comes to support the proposals he makes he will have the difficulty which I have heard passed across the house for over 21 years: "Well, where would you get the money to do the thing you are advocating? Would you favour an increase in taxes? If so, in what tax?" That is all it is necessary to say, and the Leader of the Opposition will be flattened right down flatter than if a steamroller had run over him.

I am mentioning just two or three of the difficulties this good man is going to face. I do not want to forecast that he will be a broken man in ten years, but if the past is any indication of what the future holds that is exactly what he will be. A man ought to be able to carry on for ten years anyway, I think, without being broken.

An hon. Member: Oh, oh.

Mr. Blackmore: If you will just give me time I will deal with all of you, don't doubt that for a minute.

The leader of the Social Credit party yesterday read item 1 of the Social Credit program. He has done me the honour of asking that I read the second item of that program and this I will now do:

> Get into the hands of Canadian consumers enough purchasing power to buy the goods Canadians produce and, at the same time, see that farmers, fishermen and other producers, and those who would be producers, are able to get the credit necessary to produce in greater and greater abundance, more and more kinds of goods.

I submit, Mr. Speaker, that this constitutes an alternative. If the Conservatives can figure out how to do this they will then have an alternative to the Liberals; but if they cannot figure out how to do it they will have no alternative to the Liberals, not even anything that looks like an alternative.

I now propose to address myself for a minute or two to this particular item of the Social Credit program for the coming years. This item calls for the implementation of the Social Credit financial technique in Canada.

I suppose I will be told that a recent royal commission in New Zealand killed Social Credit. We had an extravagant writer, named Leiterman or something of the sort, who recently scattered this foolishness all over the pages by saying that such a thing had happened. I might suggest to hon. members that the hon. member for Red Deer (Mr. Shaw) will probably take that man all to pieces.

Meanwhile may I say that contrary to Mr. Leiterman and all other wishful thinkers, Social Credit is very much alive. The need for Social Credit is very much alive. Social Credit simply must spread in Canada if freedom is to survive. No one can pretend that at the present time the Liberal government is leading this country toward freedom. If anyone pretends that, he will pretend anything. It is leading it to slavery just as rapidly as it can, slavery of just exactly the kind they suffer over in Russia. It may be doing it by a back-door method but the ultimate end result will be precisely the same.

I do not know anywhere you can go where you will find more terror than that reigning in the heart of the average Canadian working man who is endeavouring to keep his family together. In a country with $29 billion of production we find that men are afraid of losing their jobs, that they will not have sufficient to cover the rapidly increasing cost of living. The result is that there is unhappiness, misery and anxiety in the heart of every man I have contacted in every walk of life. That is just something terribly serious. It stands as a condemnation of the Liberal government.

Just think of the misery being endured by the old age pensioners in this country. Just think of the misery being endured by those in receipt of pensions for the blind. They are faced with rising prices with no evidence at all that there will be a point at which prices will stop rising, or that there is any idea in the minds of Liberals as to how they are going to stop them from rising. The increase gradually goes on. If that is not enough to strike terror into the heart of any person then I must say that I am completely unrealistic.

I wish to say just a word or two concerning Social Credit. Major C. H. Douglas, a world famous engineer, originated Social Credit as a technique. Many people forget that he was a man famous all over the world as an engineer. An engineer is a realist if any man in any occupation is a realist. Major Douglas worked out his Social Credit proposals with mathematical accuracy and a great appreciation and understanding of facts as they were.

Speaking on April 6, 1934, before the agricultural committee of the Alberta legislature, Major Douglas made a statement which should arrest the mind of every man in Canada just as it arrested the minds of nearly all the Alberta people. He said:

> Given the power, either I or dozens of other people could provide you in three months with a scheme which would work perfectly and put Alberta, or Canada, depending on the extent to which it is applied, forever outside the range of poverty.

Mr. Campbell: Would the hon. member permit a question?

Mr. Blackmore: If the hon. member could wait I would prefer to have his question at

the end of my speech. However, if he really wants to ask it now I will agree to his doing so.

Mr. Campbell: Can the hon. member state why Major Douglas refused to come to Alberta to help the first Social Credit government in Canada?

Mr. Blackmore: One of the principal reasons he did not come to Alberta was that he did not believe in taking social credit into political life. Because Premier Aberhart did believe in that there was created a certain amount of unhappiness between Major Douglas and Premier Aberhart. I would imagine that is just about the most satisfactory explanation. They were both powerful men, they were both dynamic gentlemen, great in every respect. I knew them both; I think that is the explanation. I think almost any person who has had any experience will realize that.

I should have said that the quotation I have read is from page 97 of the evidence taken before the agricultural committee of the Alberta legislature, published in 1934. On that same page 97 he was asked, "What is Social Credit?" and he said:

> Social Credit from the technical point of view is simply the power to monetize real wealth. That is very nearly a complete definition of social financial credit. The power to monetize real wealth is now a monopoly. We want the power to monetize and distribute money to be public property.

It could not be better put although he was speaking extemporaneously at the time. He gave that comprehensive definition of Social Credit. What is the meaning of the expression "monetizing real wealth" as it is used in that quotation? To monetize real wealth means to turn real wealth into money. Ordinarily we think that the only way in which we can turn real wealth such as goods into money is to sell the goods. That is the first thing that orthodox people think about it, but there is another means which Major Douglas had in mind. I should like to give a few examples of this matter of turning real wealth into money.

First there is the ordinary I.O.U. with which every hon. member of the house is familiar. For instance, a man may say, "I.O.U. one ton of coal" or "I.O.U. one hour's work" or "I.O.U. five pounds of sugar." Such an I.O.U. could be passed from one man to another in payment for many things and would probably affect four or five persons before it came back to be honoured by the person who wrote it out. Such an I.O.U. would be a ticket to claim goods or services. Any ticket to claim goods or services is a form of monetizing those goods and services.

It could be passed from one person to another as a medium of exchange, which is the first definition of money.

Then it is a store of value. As long as it stands for five pounds of sugar or one ton of coal it is a store of value. A unit of money such as a one dollar bill is merely a medium of exchange and a ticket to goods. Therefore an I.O.U. made by a man owning a ton of coal or five pounds of sugar is in effect the monetizing of that coal or sugar which he has, and it would be something that could be used as money if people accepted it as such.

Speaking broadly, any person or group of persons who creates or brings into existence any claim to goods or services or any instrument which could be employed as a unit of money is monetizing those goods and services, providing the people concerned are willing to accept that instrument as money. That of course is the all-important point, that the people readily accept it as money.

What are some other examples of units of money in Canadian history created by the monetizing of goods and services? A good many people think Social Credit is something new. It has been in existence almost ever since human beings have been on this earth. May I list a few such examples as they are described in a booklet entitled, "The Story of Canada's Currency", published for the Bank of Canada in 1955. One famous kind of early Canadian currency was Hudson's Bay tokens. From page 8 of the booklet I read:

> Hudson's Bay tokens. These Hudson's Bay Company tokens represented the unit of currency used in the fur trade for many decades. The largest, one "made-beaver", was equal in value to the skin of an adult male beaver in prime condition. Smaller sizes represented one-half, one-quarter and one-eighth "made-beaver". Before these brass tokens came into use, a made-beaver was represented by a stick, a porcupine quill, an ivory disc, a musket ball or anything else agreed upon by trader and trapper. The trapper would be handed a number of the units agreed upon representing the value of his catch and with these would make his purchases from the store. The tokens were designed by George Simpson McTavish of Albany Fort in 1854.

What the Hudson's Bay Company had done there when it made these tokens was to create in effect an I.O.U. which was backed by all the goods the company had in its stores or which the company would have in its stores right up to the time the person who had received the tokens came and recovered the goods. In other words they monetized those goods.

Another famous kind of Canadian currency was playing card money, first issued in 1685

by the French colonial authorities. From page 7 of the booklet I read:

> Although card money began as a short term financial device it was not long before the cards began to circulate among people as a medium of common exchange and later issues of card money were provided with this specific aim in mind. With the passage of time card money became an important part of the currency of French Canada and remained until the fall of Quebec in 1759.

In this case it is not so easy to see that the money created was a monetization of any particular bit of wealth, as was the case with the Hudson's Bay tokens which monetized all the goods in the Hudson's Bay stores. In the case of the French Canadian card money an attempt was made to monetize all the goods and services being produced in the area which was using the card money, because the card money would be a demand or claim on any goods or services in that area. The claim was made good because people accepted the cards as money.

From 1800 to 1855 they began using another kind of money. May I read from page 14 of this same little pamphlet to which I have already referred:

> The demand for currency in these times also stimulated the practice of merchants issuing "bons" good for the face value in merchandise. From 1800 to 1837 a very large part of the small change in circulation consisted of these merchants' tokens.

When the merchant issued one of these tokens he simply monetized the goods which were in his store and would be in his store until such time as the token was brought back to the store to be redeemed in goods. I go on:

> Many were copper penny and half penny tokens of good quality imported from Britain but these were gradually replaced by lighter tokens of copper or brass.

Then further down:

> In the latter period these sometimes took the form of store cards bearing the merchant's name, address and frequently the type of business.

There you have once more tokens, monetizations of goods, instruments of money, instruments of credit created by people with the goods to sell. In the particular town where I grew up there were two stores when I was a small boy, one called H. S. Allen and Company and the other called the Cardston Co-Operative Mercantile Institution. Each of these issued little tokens which they called scrip. We used scrip. I can remember seeing my mother come in with butter and eggs and various other produce, turn them in to the store, receive scrip for the goods, and go out and buy the things she needed to buy with this scrip. It was good. There was no need of having gold behind it. There was no need of having the Bank of Canada behind it or the Dominion of Canada behind it. The scrip was accepted almost readily as cash.

Mr. Byrne: In the next town?

Mr. Blackmore: It depended on whether there was an understanding between that town and the next town, but in that town it was accepted as cash. Presumably if you had scrip issued by the Dominion of Canada it would be accepted in the next town, in the next province and all across the country. What we are endeavouring to do now is to show what we mean by monetizing wealth. I think that makes it clear to anyone.

Mr. Byrne: No.

Mr. Blackmore: Well, my hon. friend may need a special course. I will give him a few detention classes after school. In two of the illustrations I used, the backing was goods and services. In the case of the playing cards the backing was the total production of the whole area in which the playing cards were being used, just as a dollar bill in Canada today is a ticket to any kind of goods or services you can name from one coast of Canada to the other, and that is all it is. That is all it needs to be. No one ever calls for the dollar of gold behind a Bank of Canada dollar. It would be foolish to do so. Once we know we can buy anything we want to use we are satisfied. We accept the dollar bill, and it is a good dollar bill because it has plenty of goods behind it.

The only thing we have to worry about under these circumstances is that the price remains stable. Everyone in the house knows that the Canadian dollar bill has lost practically one-half of its value in the last ten years and that under the glorious Liberal government with all its splendid capacity to govern the people right and maintain freedom! I would think that ought to sober even the most enthusiastic Liberal. It is important to have the goods to back the money and to keep the price stable. Then the money can be made of paper or, as was the case with the Hudson's Bay Company, even porcupine quills.

I propose to leave other things I could say concerning the Canadian financial system and come down to the finance act. Those who have read the financial history of Canada remember that in 1868 there was passed what was called the Dominion Notes Act. The Dominion Notes Act empowered the government of Canada to create tickets, "made-beavers", if you like, "playing card money", if you like, dollars that would be acceptable from coast to coast in Canada. When we come down to 1914 we find that there was passed, as a measure in connection with the

war, the finance act of 1914, later re-enacted by the Liberals as the finance act of 1923.

Here are some of the things that were done under the finance act of 1914. They issued $26 million of bills backed by railway securities and spent them into circulation as part of the national revenue. They created $10 million in bills backed by nothing in particular except the credit of Canada, namely the ability of Canada in that case to deliver goods and services. They created $50 million in 1917 and bought horses, harness, grain and other supplies that were needed in conducting the war and sent those goods over to Britain. Britain used them to fight the war. Those $50 million were good money. The farmers who received them had no objection. They were just as good as any other money. They had nothing behind them except that they were a claim on goods in Canada.

What could be done under the finance act of 1914 one would certainly think would be possible to be done in Canada today. If it is not possible today in Canada to do what was done in 1914, then whoever thinks it is not, had better prepare himself to stand before this house and justify his position with great care.

Social Credit need not hesitate for a minute to talk about creating money. It has been done all through Canadian history.

One of the important things concerning this 1914 act and what was done under it was this. Much of the money was spent into circulation. That $50 million, that $26 million and that $10 million could have been used to pay old age pensions. It could have been used in bringing down the price of goods by a discount. It was spent into circulation.

We went on under the finance act re-enacted in 1923 by a Liberal government. Just at this point may I recall that it was a Conservative government that enacted the finance act of 1914, and that it was a Liberal government which had seen the act in operation all during world war I, which re-enacted it as the finance act of 1923, notwithstanding the fact that they might have been suspected of having political animosity toward the legislation because they did not introduce it. If that is not clear proof that our forefathers of 1914 and 1923 saw the possibilities of the government creating money and spending it into circulation, backed only by goods and services and the producing capacity of the country, then where would you go to find evidence that would prove anything?

What is the limit of creating and circulating such money? The general limit of it must be the amount of goods there are in the country. Since money, after all, is a ticket to goods, a claim to goods, it would be dangerous and unsocial to create more money than there were goods. On the other hand, if it is desired to be able to create more money and have it in the country, the first thing we must look after is the production of more goods. If the Minister of Finance at the present time were budgeting on a basis of that sort and were wondering where he was going to get the money to pay twice as big old age pensions, the first thing he would do would be to look into the matter of increasing Canada's production by an amount large enough to justify the creation of the necessary money. Thus he would have in his hands a means whereby he could bring about any kind of condition of prosperity within the country by the simple device of increasing production.

Mr. Harris: Mr. Speaker, may I ask the hon. member if it is not a fact that production in Canada has grown in the last few years to such a proportion that we have a problem because of it?

Mr. Blackmore: We have two or three different kinds of problems. Of course if we create things which we are obliged to sell abroad, then there is difficulty there. But why not concentrate on the things that people are going to be using? If we are going to provide double the old age pension, why not produce the food, the clothing, the shelter and the various other kinds of things that old age pensioners need right within the country? And if we happen not to be producing a particular kind of goods now, why not concentrate on beginning to produce it? Thus we would have a realistic approach to this whole matter. I am making a suggestion which I think is perfectly sound. As the hon. member for Peace River so well showed, if it is found that there is a great inventory of many kinds of goods in Canada, why can we not create money, put it into the hands of the old age pensioners, and let them buy some of those goods? There is no answer. There is no answer to the Social Credit position all the way through.

Let us now take the Bank of Canada, which was set up in 1934 under the act passed in that year, and see what has been done under the Bank of Canada. The Bank of Canada, when it was set up, had the power to create money almost limitlessly. The one thing that stood in the way was that a certain amount of gold was required. But as the result of amendments to the act which were made in 1940, I am told, the Bank of Canada no longer is obliged to have gold as a backing for money. The Bank of Canada can take a $1 million dominion bond, turn it into money

and let the government have that $1 million and spend it as part of the national revenue if there are enough goods to spend it on; and there will be no cost except for the little bit of paper, ink and so on involved. This is extremely important. What Social Crediters say is this. Since we have this Bank of Canada with all the power which the finance act had, in the name of common sense, and in the interests of Canada why not use it not only to lend to people money with which to produce, but let people have it with which to buy up to the point where they buy either what they need, or all there is to buy. That is the Social Credit position. It is simple.

Having indicated what is the centre, the pivot, the heart or the core of the Social Credit idea, namely the creation of money to represent goods, may I now turn to the financial technique of Social Credit? When money is created the first thing that is done with it is to bring down the price of goods to the consumer. If you are worried about the rise in prices, why not use the compensated discount to bring down the price of goods? Why not? The result would be exemplified by this: If it be found that a pair of shoes is being sold at $10 and we want to bring the price down to $9, why not give to the merchant instructions that he may sell that pair of shoes for $9, turn in the bill to the bank and be compensated with $1 and given credit for $10? Then the bank will turn in the bill to the Receiver General of Canada and receive the $1. In this way, by the simple use of this government power to create money, the price of shoes would be brought down 10 per cent.

The same kind of principle could be applied to all the goods in Canada, bringing down the price of those goods. We are not obliged to be absolutely slaves to these conditions which are arising around us and causing so much difficulty. Would that course not be far better sense than to let the Bank of Canada raise the discount rate and force up the interest to people who are producing, thereby forcing up the cost of production and forcing up the cost of goods, and then hypocritically call that inflation?

Now, the hon. member for Peace River reminds me that it would be optional for the merchant to do that sort of thing, but Social Credit is based on the principle of co-operation. Surely people have sense enough to co-operate when they see something is to their advantage. If they do not, let them wait for a while until they have lost their trade through the competition of others who are co-operating.

The third principle of Social Credit is this. If the amount of money which is in circulation in the country as a result of the compensated discount and as a result of the money which is lent out for production in the form of farm loans and the like is not enough to enable the people of Canada as a whole to buy the production of Canada up to the desirable point, then issue the people dividends of created money, personal issues of purchasing power, which will enable them to buy up to the point at which consumption in Canada will equate the production in Canada.

The people will naturally ask, has this Social Credit ever been tried? I say, not under that name. For some most interesting reason the people who have money, and certain great forces that are seeking to enslave the world, are fighting Social Credit with a vigour that the fiends from the infernal pit would envy. They have such control over the press and the other means of teaching people that they delude people and keep them from accepting Social Credit and entering into a state of prosperity and security which is right here if we only had the wisdom to adopt the measures to make it available to the people of Canada.

Mr. Campbell: What would all this do to the value of our money in world markets?

Mr. Blackmore: The value of our money in world markets—that is a very good question. The value of the Canadian dollar on world markets is the value in Canada. If your dollar will buy, for example—I am striking out at random—three pounds of raisins on the Canadian market, well a person in the United States can buy three pounds of raisins with it just as well. The money would be worth just as much to him as it would be to us. The value of Canadian money in the world market depends on Canada's ability to deliver the goods or services to cover that money and on Canada's ability to keep her prices stable so the person who gets Canadian money is not going to be the loser. That is simple enough. We do not send our money out very much, anyway. We turn our money into United States money or French money or the money of any other country with which we deal and send their money out. The value of our money and their money depends on the value in terms of goods in our own country.

I was going to go into some detail in speaking about some of the great schemes that have been tried successfully throughout the world. The Guernsey island experiment was most impressive in respect of the things it was capable of achieving while that experiment was in progress. The British Bradbury experiment was a surprisingly successful experiment in the use of state money. All the banks in Britain notified the government in

1914 that they were having to close their doors. The British government created one pound notes called Bradburys, sent them to the banks and said, let the people who come for their money have these. They will be good. There were £354 million of that money printed and circulated in Britain during world war I. With that money she won the war, and with that money she would have won the peace if wisdom had prevailed amongst the men who were managing Britain's money. As it was, they turned the whole issue over to the Bank of England, with exactly the results you would expect from the Bank of England.

The Acting Speaker (Mr. Applewhaite): I am sorry to interrupt the hon. member, but I must inform him that his time has expired.

Mr. F. A. Enfield (York-Scarborough): Mr. Speaker, I am a little diffident about following the hon. member for Lethbridge (Mr. Blackmore) and the hon. member for Vancouver South (Mr. Philpott) with their obvious rhetorical abilities. I always do find myself a little nonplussed after listening to the hon. member for Lethbridge. I thought I might apply to join that course along with the hon. member for Kootenay East (Mr. Byrne) and learn something.

Mr. Blackmore: You would be very welcome and it would be highly profitable.

Mr. Enfield: That may be, because if what the hon. member for Lethbridge says is true of the party in official opposition it does not look as though it is going to be much of a moving force in the future in Canadian politics. The hon. member's charge that there is no difference between the Liberal party and the Progressive Conservative party can be quickly cleared by an alliance between his group and the other groups.

Mr. Blackmore: That would be impossible, unless the Conservatives could come and join us.

Mr. Enfield: At least then we might see some sharp differences in policies and platforms.

However, it is a privilege, Mr. Speaker, to have this opportunity to speak in the debate on the reply to the speech from the throne. It is a privilege and a duty, a duty I think to say something of what the people are feeling and thinking in one's own particular constituency and area, to do your best to try to put across what they feel to be the important political and governmental considerations. I think this debate, more than any other, gives us an opportunity to do just that. Before I commence on that I want to take the opportunity of sincerely congratulating the mover (Mr. Hanna) and seconder (Mr. Robichaud) of the address in reply to the speech from the throne. They come from widely separated parts of the country and exhibited a sense of urgency in their well-prepared addresses in regard to the problems with which they are faced. They showed also a degree of aggressiveness and optimism, particularly in the case of the hon. member for Gloucester, that was very refreshing in this house. Altogether they embodied a spirit of cohesion and unity that I hope will always remain the same in so far as our great party is concerned.

As I say, Mr. Speaker, traditionally one should say something about one's own constituency. I want to do this in relation to two matters in particular, because I cannot cover the whole gamut of the measures that are proposed in the throne speech. First of all I want to discuss Canadian foreign policy, because I think that now the Middle East situation has more or less found a temporary calmness, it is a good time to bring to bear the thoughts one has in that regard. Second, I want to talk about something that is entirely unrelated, and that is the question of taxation for education on the municipal level. I chose these two subjects because I think it is about those two matters that people are feeling most strongly in the metropolitan area with which I am acquainted.

First of all I just want to take a moment to acquaint you with two or three physical facts about the constituency I represent. Hon. members will be glad to know that the Scarborough bluffs are still standing. I received a copy of the preliminary population totals for the Dominion of Canada showing changes in population in the municipalities in Canada that are most interesting.

I noted that in the municipality of Scarborough we had an increase from 56,000 to 139,000 in the years 1951 to 1956. That is an increase of 83,000 people. In the municipality of North York, a great part of which is included in the constituency of York-Scarborough, we had an increase in population in those years from 85,000 to 168,000, again, oddly enough, an increase of 83,000 people. That gives the house an idea of the tremendous growth that is taking place in the population. If you look through the list of municipalities across the country, with the exception of the township of Etobicoke in the metropolitan area of Toronto I do not think you will find any place with anywhere near a similar increase in population. Hon. members can understand the problems that arise when such a condition occurs, and not necessarily just political problems, in trying to meet and know the 83,000 new people.

We are very prolific in this area, but I imagine that apart from the natural growth a great number of the people moved into the area from outside. The problems arising from this growth are very difficult to handle. From the federal point of view we have the usual one of postal service. It has taken a great deal of one's time to cope with the situation in so far as the delivery of mail is concerned, which is a most important function of the federal government. We have had an increase of 30,000 in actual points of call on door to door delivery in my constituency alone. We have just finished constructing a new post office in Scarborough, and no sooner had we opened it than it was filled to capacity. It will shortly require an extension, making it twice the size it is now. I have urged the Post Office Department to undertake a survey in another great part of the constituency which is growing rapidly. This survey is to commence very shortly. I would encourage the Post Office Department to develop a sense of urgency about the need for this postal service.

It is not always easy for the civil service here in Ottawa to visualize the extent of this growth that is taking place. It is not easy for people who have a particular job to do, and who are busy doing that particular job, to make themselves go out and initiate proceedings and surveys that in the final analysis are going to mean more work and more problems for themselves. I do find that the post office department in Toronto need a great deal of encouragement to initiate activity that will provide the increase in services that we so greatly need.

Problems of transportation also arise. We have, I think, about 56 level crossings in the township of Scarborough alone, at one of which there was a recent fatality. We know that it is well nigh impossible to get the money to provide underpasses and do away with level crossings. I think the report we received last year stated that it would cost $600 million merely to convert 10 per cent of the existing grade crossings. Obviously this points to a need for more thinking on the part of those responsible for proper protection devices at the existing grade crossings. We have also been urging that this be done.

On the economic side, employment is satisfactory in my constituency. There have been some soft spots in certain businesses such as the building trades. I do not want to deal at length with the situation in house construction at this time, though I would like to speak on it later in the session, but it is a fact that the so-called tight money policy of the government has created quite a change in the building industry in those fast-growing areas. You have all read recently of the demise, or should I say bankruptcy, of the largest real estate trading firm in the dominion. I think that was a situation where, because of over extension of credit facilities, or over extension of the use of credit, the firm found itself in close juxtaposition with this tight money policy and could not obtain that credit. This will result in the slowing down of the development of great areas of land where normally a great deal of house building would take place.

I am not saying that this is right or wrong. I am saying, however, that monetary policy, and the method we are using in dealing with it, represents a fairly new science, and I would urge the government to keep a careful eye on its means of measuring the impact of the policy it has instituted so it can decide just when to draw the line and encourage the opposite effect to take place. I think that is the theory, to use what monetary means you have at your disposal to try to iron out the peaks and valleys; but the problem is, when do you make your move? I have great confidence that the government will not let the tight money policy go so far as to cause a decrease particularly in house building, which I think is the basis of our economy, to the point where it is going to create a hardship on anyone.

I have digressed a little from my original plan, and I want to go back and talk briefly on the question of Canada's foreign policy, with particular reference to the Middle East situation. In this debate on the speech from the throne many members have mentioned this subject. In the past three years that has not always been done. In fact in the past I have never felt competent to discuss it at all. I think we all suffer in various degrees from a lack of personal knowledge of and personal experience with the facts that govern foreign policy, which prevents us from feeling overly confident to discuss the subject; therefore I wish to state my view very briefly.

It is this. In this last crisis there was a great divergence of opinion among the people in my constituency as to the action taken by the United Kingdom. There was a sharp cleavage, in fact. The interesting thing about it was that people were either all for the move on the one hand or all against it on the other, with very few taking a sort of neutral watching ground in between. This resulted in widespread confusion on the subject and the result of the action that was taken in the Middle East. It was followed by a depressed attitude owing to the cleavage between the emotions perhaps, on the one hand, where the feeling

was to back the move, and on the other the reasoning which suggested that we had suffered an obvious loss of prestige and power in the Middle East that resulted from the sequence of events.

It was from this position that the people looked to the Prime Minister and the Secretary of State for External Affairs for their leadership in this crisis. I know I can report very accurately that public opinion in my constituency, and I think everywhere in Canada, is enthusiastic in its acclaim of the stand taken by the Prime Minister and the Secretary of State for External Affairs in this crisis, and is unanimous in the feeling that as a result Canada has gained in stature in world leadership. But to be fair we must emphasize that people were shocked and indeed appalled at the rapid transposition that took place from a solid group forming the western alliance to a position in the United Nations wherein overnight great stresses and strains developed and we found the United States taking a stand directly opposite to the stand taken by Great Britain. I think it showed to many people that the United Nations has a long way to go. I believe it revealed great weaknesses in the United Nations organization, and I am convinced that people still have a feeling of insecurity and uncertainty as a result. We in Canada have given our support unstintingly to the United Nations. In some respects we have had the ground knocked out from under our feet by the events that have taken place; and we must not forget this, because it means we have to urge our leaders in the United Nations, our Canadian representatives, to do everything possible to strengthen this organization, to suggest policies and forms of activity that will make it a stronger working group so that with a feeling of security and conviction we can back a group which we know is going to be an effective international body.

After all, the whole principle on which our foreign policy is based is one of containment of the Russian power and its satellites, a policy of containment based on the philosophy that things do not always remain the same, that with the passage of time there will be a softening of the attitude of those we call the enemy and a *modus operandi* arrived at whereby the two groups, or perhaps three groups in our world, will find themselves able to work completely together and there will be lasting peace. That type of philosophy depends entirely on building up a solid western alliance and a true United Nations group.

We would like, then, in our constituency the following questions to be answered in regard to foreign policy. To what extent can Canada make its own independent influence felt in the United Nations? Must the question always be "As the United States goes so goes the United Nations"? What is the meaning of the unilateral action taken by the United States in recent days in the Middle East? What is happening to NATO? Will the combination of the current economic crisis in Britain and the reduction of French and British forces in Europe drastically alter the course of the North Atlantic Treaty Organization? These are questions that I myself, and I think my constituents, would like to see answered, and if there are no positive answers we would like to see these questions thoroughly explored.

I would like now, Mr. Speaker, to turn to the other portion of my submission in this debate, which is entirely unrelated to what has gone before. As I said previously, this portion of my address concerns the field of taxation with regard to education in the metropolitan area. There was reference in the throne speech to an increase in grants for certain types of education, and this is something I believe everyone was pleased to see. From time to time there is a wide and insistent expression of opinion from provincial and municipal authorities that the federal government should do something in order to aid education. I find these expressions of opinion are not always accompanied by information that would make it possible to give every consideration to the request.

For example, I received a letter some time ago from the board of control of the city of Toronto requesting that the city be given greater aid through the taxation of federally-owned properties in the city. There was nothing in that letter to indicate what the impact would be of such aid, what it would mean in terms of increasing tax revenues. I found on reading the *Globe and Mail* yesterday morning that the city may gain about $800,000 under this measure that is mentioned in the throne speech.

I think the fundamental question here is this. If these bodies are going to ask for further financial aid from the federal government in a field that is historically and legally that of the province and municipality, then we are put in a position where we have to examine the entire financial structure of the province and municipality themselves. We cannot simply say, "Well, fine, you need aid, and we will give you aid". We have a responsibility for these trust moneys that we call taxes to the people from whom we collect them. We have only a certain legal basis on which we can expend them; therefore we must look into the method the provinces employ in collecting and expending taxes, or receive full information from the provinces

as to just why they find themselves unable to carry out what has always been their job, a job of which they are very jealous in many parts of the country.

Despite this, when it is said, "Why do we not do something to aid education," the fact that we are aiding education considerably seems to be completely ignored. In the 1955-56 session of parliament I put a question on the order paper. I want to read it now because I received an extremely full answer, and I think it is very revealing. The question appears at page 3728 of *Hansard* for May 9, 1956, and reads as follows:

During the fiscal year 1955-56, what sums of money by way of outright grants, bursaries, scholarships and loans were expended by the federal government directly in aid of education in Canada, including grants for assistance to Indians and Eskimos; (a) by each department of government in each province, for aid to university students, and including professional training; (b) by each department of government in each province for education on the secondary and elementary school levels?

I tried to cover all aspects of education in the question because on going through the estimates I found that grants, scholarships, bursaries and loans were scattered all the way through the different departments of government for various courses and aspects of education. I cannot possibly put on the record all the details of the information that is contained in the answer. The total aid to education provided by the government in the year 1955-56 amounted to over $28 million. I should like to place on record what has been spent in the various provinces, because it may be of some value to hon. members. The expenditures to the nearest thousand dollars were as follows:

British Columbia	$2,989,000
Alberta	2,261,000
Saskatchewan	1,862,000
Manitoba	1,437,000
Ontario	7,228,000
Quebec	2,952,000
New Brunswick	739,000
Nova Scotia	1,007,000
Prince Edward Island	123,000
Newfoundland	422,000
Yukon	76,000
Northwest Territories	1,025,000

It will be seen that we are expending considerable amounts in our efforts to aid education. It is not true to say that we are doing nothing in this field. These expenditures are spread out through the departments because these totals are made up of a tremendous number of small detailed propositions for education. I would suggest it might be a good idea to channel them through a single minister of the crown. I am not suggesting that one minister should have the responsibility of initiating all such measures; I am not suggesting that one minister should be responsible for dealing with all such measures, but I do suggest that there be one gathering point where the public and hon. members could look at a list and see just what is being done, what is being spent and where it is being spent.

I do not think this list shows much of a trend in so far as the division or separating of this money is concerned. There is one grant to universities made by the Department of Finance which amounts to some $8 million, and which now presumably will amount to something like $16 million. This is based on a formula so far as the division of the money is concerned, but that is not so with the rest of these expenditures. I make this suggestion because the public in inquiring of the federal government as to what is available for education must find it most difficult to ascertain just what is taking place.

Coming back to the province, if I may take just one or two more minutes on this subject, it has been suggested that there should be further aid for education. At one time the province of Ontario agreed to pay to the municipalities 50 per cent of the cost of education. I have obtained some figures of the actual grants, and I find that in 1945 the province to the municipalities paid some 54 per cent of those costs for education. I find also that in 1954-55 the grants for education by the province of Ontario came to some 34 per cent of the moneys spent by municipalities for that purpose.

This is quite a drastic change. What is the reason? We do not know. We are being asked to provide more money for education without any explanation of why this proposed division of the cost of education as between the province and the municipalities has broken down. Is it that educational costs have risen too steeply? Is it that the revenues of the province have not been so controlled as to increase in the manner in which they should? Is the province not sufficiently taxing certain industries—the mines, perhaps, and the lumbering and forest industry? Are the revenues not sufficiently stable and equitable from all sources in the province? We do not know the answers to those questions, and we cannot exercise proper and good judgment in regard to these constant requests for educational aid unless they are answered properly by the provinces and the municipalities.

These are my submissions in the throne speech debate. I venture to suggest that when the vote is taken in the next few days the government will receive a resounding vote of confidence in regard to its activities.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Carl O. Nickle (Calgary South): Mr. Speaker, first of all may I extend the usual congratulations to the mover (Mr. Hanna) and the seconder (Mr. Robichaud) of the address in reply to the speech from the throne. Next, I should like to extend my warm personal congratulations to the hon. member for Prince Albert (Mr. Diefenbaker) on his election to the high office of leader of the party of which I am a member. The hon. member for Prince Albert follows a long line of illustrious leaders of the Conservative party in Canada, and I know will be making a notably great contribution as leader of the Conservative party and as a prime minister of Canada in the years ahead.

At the same time, sir, may I express my deep personal regrets at the enforced retirement of Hon. George Drew as leader of my party due to ill health. Mr. Drew made a notable contribution to our country, to the party which he led and to parliament itself during his many years in office.

My main purpose tonight is to review the recent past and the near-term future of the great new Canadian industry which makes its headquarters in Calgary. I refer, of course, to western Canada's oil and gas industry, which has made Calgary one of the two fastest growing cities in Canada and earned for my home city the title of Canada's oil capital.

Before doing that I have a few comments to make concerning the C.P.R. strike, which is having a serious effect upon every phase of Canada's economy. In the west grain shipments have slowed down, aggravating the problems of our great agricultural industry which provides the broad base of the western economy. In a number of manufacturing industries in Alberta and elsewhere in the west cut-backs in production and in employment are already in effect because of the C.P.R. strike, and the situation will become far more serious over the next few days unless the strike is settled among industries dependent upon the C.P.R. for the transport of raw materials and finished products.

On strike are some 3,000 members of the firemen's union over the issue of whether or not firemen should be retained on diesel-powered freight and yard engines. The issue might also be summed up in this way. Should the railways and their workers keep pace with other industries and their workers in the trend toward automation and greater efficiency, consistent with adequate safety measures, in a world and especially in a country like Canada where competition in trade and in transport is tight and where manpower to build the future is in short supply?

Only 3,000 are on strike, but over 70,000 C.P.R. employees are off the payroll as a result of the complete shut-down the strike involves. Rapidly increasing thousands of non-railwaymen are losing jobs in other industries because of the strike. The cost to Canada's economy and to every citizen of our country grows heavier every hour.

This government has shown little willingness so far to face up to the real issue involved, to put the interests of all of Canada ahead of any other consideration and get the C.P.R. back in operation by application of firm and courageous government policy. The government seems to be relying upon public opinion to push it into action and to determine the specific kind of action that should be taken.

Back in 1950 the Conservative group in the house proposed the improvement and modernization of the machinery for the conciliation of industrial disputes. The government voted down the proposal. Since then neither labour nor management has known with any certainty the government's labour dispute policies. Certainly there has been no government policy in so far as the effective handling of problems arising from automation and changing industrial trends are concerned. Issues such as wages or working conditions between labour and management can ordinarily be resolved by normal conciliation or bargaining practices. But can the same be said for issues such as automation, technological changes, related safety measures and so forth? Why has not this government, knowing full well that considerations other than wages and other normal matters of difference existed so far as the C.P.R. and the firemen's union were concerned, taken adequate steps in advance of this tragic strike to create machinery for the proper resolving by an authority independent of the two sides to the dispute of the matters at issue?

Certainly the basic point of dispute between the firemen's union and the railway is one that cannot possibly be solved by a strike, for a strike, regardless of which side wins out, does not and cannot resolve in equity and fairness the merits and demerits of automation or safety measures which are at issue. Regardless of where our individual sympathies may lie as between the railway and union positions, the majority of Canadians at least recognize that the issue is a somewhat technical one calling for the application of careful study on an unbiased basis by a qualified commission. Both sides

to the dispute in fact agree to that extent. So also to that extent does the government now seem to agree in its position as representative of the most vitally interested party of all, the general public of Canada.

Speaking as an individual member of parliament and in no other capacity, I say to both the union and the C.P.R. management: If you believe your case is right, if you believe it can stand up under the harsh light of critical examination by a competent, unbiased public board, then back your faith now by voluntarily agreeing to present all the facts and arguments to that unbiased board and to abide by the decision of that board. I refer to the technical issue of the need or lack of it for firemen on diesel engines for efficient operation, and the related technical issue of adequate safety measures for railwaymen, property and the public. In the meantime, restore the status quo and get the railway back in operation.

To the government I say this: Show more courage and leadership than you have to date to get Canada back on the rails. Quit waiting for public opinion to force you into decisive action on this particular problem and the far broader question of modernized government machinery to assist in the fair and equitable resolving of technological problems such as those now facing Canada, plus much better machinery for the resolving without compulsion of the more normal differences on wages and other matters which arise from time to time between labour and management.

The Conservative party back in 1950 and at various times since has given the government a sound basis for a better labour dispute policy. I urge the government to end its dilly-dallying by concrete action now. Or are we on this side of the house and the Canadian public generally to assume that the government has not solved the railway problem but has quietly helped to relieve Canada's shortage of steel for industry by giving away that steel that should have been retained in the collective government backbone?

Departing from the railroad strike, I should like to make a few comments on the western Canadian oil and gas industry, give a brief review of the past and take a look at the present and the near-term future for what has become Canada's No. 1 mineral-producing industry and western Canada's No. 2 industry, second, of course, to agriculture in terms of revenue and employment.

First let me deal with revenue. In 1956 this industry in western Canada poured out a record $404 million worth of crude oil and other liquid petroleum products, an average of about $1,122,000 a day. In the current year, 1957, production revenues should climb to substantially over half a billion dollars. The rate of growth is all the more remarkable when we consider that in 1947, a decade ago, when the Leduc discovery set off the boom, production amounted to only $18 million yearly. By 1955 it had climbed to $307 million for that year, and rose by a third again in 1956.

Offsetting the revenue is investment. Into the western Canadian economy in 1956 the host of members—hundreds of them—of the oil and gas industry pumped an investment of around $700 million for exploration, development, land, pipe lines and refineries, an amount far in excess of the former record of just over a half a billion dollars set in 1955. A decade ago the investment rate was only $12 million yearly. In 1957 over-all investment should come close to the 1956 record, with gas and oil pipe-line construction helping to offset some curtailment in exploration and development spendings.

Along with revenue and investment, of course, has come production. In terms of oil production, the normal rate of growth has been accelerated in recent months by the Middle East crisis which has forced a reshuffling of world oil supply lines to offset the closing of the Suez canal in Egypt, the closing of three of the four oil pipe lines crossing Syria to the Mediterranean, and Saudi Arabia's embargo on its oil deliveries to British and French markets. Canada's role in this crisis, so far as oil is concerned, has been and is delivery of its oil to various North American and Asian markets in order to free Venezuelan and United States gulf coast oil for delivery to hard-pressed Europe.

Largely because of offshore shipments from Vancouver to California and Japan, and increased deliveries to the United States midwest, western Canada's oil production climbed to an average of 509,000 barrels daily during the final quarter of 1956, which was about 52,000 barrels a day more than during the first nine months of the year. The net result of this was a 1956 daily average production of 470,000 barrels, which was about 110,000 barrels a day more than that of 1955.

During the first quarter of 1957 production is expected to advance a further 58,000 barrels a day over the late 1956 rate to around 567,000 barrels daily, and to hold around this level until the final quarter of the year, when additions to pipe lines and refinery facilities will permit a step-up to somewhere between 623,000 barrels and 658,000 barrels per day.

The actual volume late this year will depend a good deal on the speed with which world oil supply lines and ocean transport costs are restored to normalcy. Normalcy,

however, will not involve loss by Canada of the production gains it is registering during the present emergency; for the growing hunger in North America, and the probable adoption by the United States of a continental oil policy, will leave Canadian oil relatively free to expand its markets in both Canadian and American areas within economic reach. A continental policy for oil and gas, which I have long advocated in this house, has been winning support in such vital bodies as the United States office of defence mobilization as a result of the impact of the Middle East oil crisis.

A measure of the importance of western Canadian oil to the nation and to the free world is given by the fact that in early 1957, just one decade since Leduc's discovery, production will be running at a rate 30 times greater than that of 10 years ago, and during this year daily yield will increase by a further amount three to five times greater than our west's entire production of pre-Leduc days.

Mr. Speaker, production also involves a matter of price. Along with the oil supply crisis, particularly in Europe, the Middle East situation has brought some fantastic boosts in oil transport costs by tanker, throwing the normal competitive factors of world oil pricing out of kilter. Markets for western hemisphere oil have been tightening as the result of big boosts in production to help supply Europe. These factors have directly brought on in recent weeks increases in wellhead prices for oil in Venezuela, California and the United States midwest, and in the past week have brought on a general increase averaging 35 cents per barrel in Texas, Louisiana and the other major United States producing states. These increases are somewhat less than might have applied if the full rise in ocean transport costs were taken into account.

This general rise in United States oil prices in the past few days will likely bring on an increase in western Canadian oil prices in the immediate future, probably somewhere in the range between 20 cents and 30 cents per barrel. The Canadian oil price structure is tied competitively to that of the United States, whose oil is the alternative supply for the major markets in North America where our oil competes. The United States held oil prices in major areas constant for the last three years until last week, despite rising costs of industry operation, wages, steel and so forth, while Canadian producers had gradually to reduce their wellhead prices in order to expand their marketing area. Now the move will be in the opposite direction. Incidentally, western Canadian oil prices will continue to be around 10 per cent to 12 per cent lower than wellhead prices in the major United States producing areas. The higher crude oil costs will likely mean about one cent per gallon increase in gasoline and other petroleum products costs in the United States and Canada. These boosts started in the United States last week, and likely will start in Canada very shortly.

An extremely important point about the growth of this industry has been the growth of oil exports. Exports of our western Canadian oil to foreign markets, mainly in contiguous areas of the United States, more than doubled in 1956 to an average of over 112,500 barrels daily, compared to only 51,000 barrels daily in 1955 and only 8,000 barrels daily in 1954, when exports commenced. United States dollar payments for the 1956 exports are estimated at nearly $120 million for the 40 million barrels moved beyond Canada's borders, thus putting oil into the top half dozen of foreign exchange earners for Canada.

During 1957 Canada's oil exports are expected nearly to double again, and should average at least 198,000 barrels daily for this year, but may run as high as 213,000 barrels. During the early part of this year exports should average 185,000 barrels daily, and will climb as more transport and processing facilities become available, perhaps reaching as high as a quarter of a million barrels later this year.

The greater volume of export, plus some rise in price levels, may make our western oil in 1957 a quarter billion dollar foreign exchange earner. Fully a third of Canada's 1957 production will find its way to foreign markets, with as much as 10,000 barrels daily on an average going to Japan, and the balance to the United States Pacific coast and midwest areas. Canada's rapidly rising foreign exchange return from oil exports, and the continuing heavy inflow of foreign capital for natural resource development, are vital factors in preventing a grave worsening of Canada's imbalance between exports and imports.

During recent months the Middle East crisis eliminated the cushion in pipe-line transport capacity east and west from our oil territory, as demand for oil brought capacity into full use. The crisis also speeded up plans for expansion of transport systems, particularly by the Trans Mountain pipe line across the Rockies. A looping program will start this year that could, within two to three years, bring a complete second parallel oil line to the Pacific. The Interprovincial pipe line running east from Alberta will be extended this summer from Sarnia into Toronto, tying in with refinery expansion at Toronto to permit Canadian oil to displace foreign oil

in a larger share of the eastern Ontario market. Interprovincial will also complete its looping program across the prairies this year, to enable winter deliveries by the year end to both eastern Canada and the United States midwest.

In 1957-58 there will be greater expansion of certain Canadian refineries using western Canadian oil, further contributing to the growth of this vital Canadian industry. But the biggest single market boost over the next three years is going to be the United States Pacific northwest. Here construction will start this year of at least two major refineries with a capacity totalling over 100,000 barrels daily and one or two more will likely start construction soon after.

Of course we cannot consider oil without touching also on natural gas. The first major export of western Canadian natural gas, Mr. Speaker, to both Canadian and United States markets will actually commence in the second half of this year. Thus will come the start of the realization of dreams and plans in existence for nearly nine years, since the first gas pipe line was proposed and started running into political and economic roadblocks. The flow of gas from the Peace river region of Alberta and British Columbia will start this summer through the first completed major gas line, Westcoast Transmission Company's 650-mile line across the Rockies to Vancouver and the United States border, where it will connect with the recently completed Pacific Northwest pipe-line system. Gas from southern Alberta will start its movement eastward this year through the prairie sections of Trans-Canada Pipe Lines system, and during 1958-59 will probably reach into eastern Canada and the midwest United States in large volume.

Westcoast licked its major problems in 1956. It completed adequate gas sales contracts in British Columbia and the United States, successfully completed its financing and started construction. The line is now 70 per cent completed, and construction will be completed this spring and summer, with operation to start by late summer. In the meantime, through the Pacific Northwest pipe line United States gas is now reaching Vancouver. This flow will be reversed when Westcoast completes its Peace river line.

Within the next three weeks Trans-Canada Pipe Lines will launch the public financing of its 2,250-mile system, with reasonable assurance that the financing will be successful. One of the company's toughest economic problems, the politically-dictated all-Canadian route through 1,000 miles of limited-market Northern Ontario, was offset last spring by the Ontario-federal government plan covering that section of the system to ease the financial strain during the early tough years of market build-up. The other problem, access to United States midwest markets to provide revenue to help carry the Canadian system at lowest possible gas costs to Canadian consumers, is still being battled out before the United States federal power commission, but it is now fairly evident that mutual Canadian-United States economic and defence interests ensure that access will be obtained in the relatively near future, either in the form presently proposed or in some modification of it.

During 1956, with the help of short-term advances from the Canadian government, Trans-Canada started construction of its system across Saskatchewan and Manitoba, but the United States steel strike held back pipe deliveries and prevented completion to Winnipeg before the onset of winter halted construction. By then 227 miles of pipe line had been completed. Construction will resume this spring as soon as weather permits, and gas should be as far as Winnipeg late this summer. In the meantime, Trans-Canada has successfully completed arrangements for the sale of its senior bonds to United States and Canadian insurance companies, subject to certain revisions in its gas purchase contract demanded by a key insurance firm. By this week contracts for over 80 per cent of the gas had been renegotiated in line with these requirements, and the balance will probably be completed shortly.

The new terms involved no change in prices to be paid for gas, but do involve changes in volumes committed for by Trans-Canada on a take or pay basis. They involve an additional hardship for gas producers on top of that imposed by the fairly low start in prices dictated by the all-Canadian route, but are accepted by producers as part of the price they must pay to help free Canadian gas from its shackles and thus speed the building of a great new phase of the Canadian oil and gas industry. To the extent that they are ready and willing to do so, Canadians across the nation will have their biggest single opportunity to date to invest in a major gas or oil transport system when Trans-Canada's public offer is made within the next three weeks. The offering will total $120 million, including $40 million in common stock and $80 million in junior bonds set up in a stock-bond package.

Canadians can, if they desire, buy a substantial majority of the total equity stock to be issued by Trans-Canada on terms comparable to those under which capital has been subscribed by the several major and independent oil and gas firms who are

Trans-Canada's present shareholders. The same opportunity will be extended soon after, primarily to Alberta citizens, in the financing of the Alberta gas trunk pipe line which will gather gas in Alberta for delivery to Trans-Canada at the Saskatchewan border.

Neither of these, sir, are get rich quick schemes, but they do appear to have a fairly solid long-term future. They represent not only a good, long-term opportunity to share Canada's future, but also a definite challenge to those Canadians critical of a heavy foreign capital flavour in Canadian resource development, and those who have decried what they term a shortage of opportunities for Canadians to invest in and control major resource projects. The coming two projects alone will give Canadians in 1957 more than $160 million worth of such opportunity. I trust they will avail themselves of it and hold their investment, rather than let the securities drift away to foreign investors who have faith in Canada's future.

Part and parcel of large-scale gas exports, Mr. Speaker—and just as important from western Canada's point of view—is the building and operation of gas processing plants, sulphur recovery plants and related chemical plants in the gas-source fields in nearby communities. In anticipation of Westcoast's pipe line, Canadians and Americans joined in 1956 to start construction in the Peace river area of British Columbia of a $30 million gas, sulphur and refinery project. This, the first large industrial operation of its kind in British Columbia, is slated to go into production this summer.

In anticipation of Trans-Canada's pipe line, and to open a source of sulphur supply to the big new nitro-chemical plant built by Canadian and United States interests at Medicine Hat in 1956, the owners of the Pincher Creek gas field completed recently the first phases in southwest Alberta of what will become in years ahead Canada's largest gas processing and sulphur project. As dry gas needs of Trans-Canada and Westcoast expand into more of the currently shut-in gas fields of the west, there will be a host of new plants for the extraction of natural gasoline, propane, butane and sulphur from the fields to be put to use. During this year it is probable that several more such projects will be announced, particularly in south and central Alberta.

I should like now to briefly refer to exploration and development in the west. In 1956, for the first time in history, more than 3,000 wells were completed in western Canada. Some 3,287 wells gave their answer, 400 more than in 1955, and 1,000 more than in 1954. Of these 2,360 completions were for oil wells, 190 were gas wells and there were 737 which were dry holes or failures which are inevitable in exploration.

This year will be another big year so far as exploration and development are concerned, but a number of factors indicate that it will fall short of 1956 in terms of new capital invested in those phases of industry spendings and in terms of well completions. These factors include first of all the present tight money situation and higher interest rates which hit particularly, so far as oil is concerned, at capital-seeking independents, though of course not even major firms are immune. Second, our Canadian taxation laws, which are less favourable than United States laws in respect to depletion and certain other write-offs, tend to mitigate against Canadian companies in resource development here, and will tend also in the near future to divert United States capital and also Canadian capital to United States development rather than into Canadian projects. I trust that the recommendations made today in the Gordon report, if carried out fast enough, will have a favourable result in offsetting the present outlook so far as tax laws affecting development of our resources are concerned.

A third factor in this year's development is something of fairly recent origin, namely rulings by Canadian tax collectors reclassifying some forms of presumed tax-free capital gains as capital income in the hands of a number of oil men and investors. This has definitely discouraged a number of affected operators who have long been prominent in Canadian oil and gas development. For the benefit of my C.C.F. friends, may I say I am not one of those affected.

The fourth point is the recent sharp curtailment in Middle East oil income going to international oil companies, which is now having some effect on their 1957 budget planning for their Canadian as well as other areas of development.

The fifth point is the fact that there is some diversion of funds from exploration and development because of the high capital requirements for refinery and transport system.

The final point affecting capital for development has been the generally unfavourable levels in 1956 of United States-Canadian oil and gas prices which, incidentally, are lower in Canada than in the United States. Those did not advance during the year to offset rises in wages, steel and other material costs. It is now expected, however, that the price situation will generally improve this year,

as it started to do in the United States last week and will likely start to do in Canada in the immediate future.

In the two or three minutes remaining to me, Mr. Speaker, I should like to comment briefly, since I have dealt with Western Canada as a whole, on the major areas of promise in the west. Alberta, of course, has been and still is Canada's top oil and gas province. By the end of 1956 Alberta boosted its oil production to around 426,000 barrels a day, and will climb from around 450,000 barrels a day, today, to probably over half a million barrels a day by the end of the year.

In 1956 Saskatchewan clinched its position as the second most important oil-producing province in Canada. Saskatchewan had a long string of oil discoveries in the south-eastern section of the province, and they have already established over a hundred million barrels of reserves. The new southeast Saskatchewan area has combined with the older southwest area to bring about a skyrocketing of Saskatchewan oil production. That production almost doubled last year to an average of over 53,000 barrels a day. They started off in 1957 with over 75,000 barrels a day, and within the next three or four months Saskatchewan will be producing in excess of 100,000 barrels a day.

Manitoba, the third ranking province, showed some increase during the year. Its production built up during the year from 11,000 to about 17,000 barrels a day. There has been no notable discovery during the year, but prospects are quite bright.

British Columbia during 1956 produced its first oil, and by the end of the year passed its first milestone of 1,000 barrels a day. During the current year British Columbia will greatly increase its importance as an oil-producing area and will also, of course, begin to come into its own as a major supplier of natural gas and by-products.

The Northwest Territories, which possesses Canada's most northerly oil field, Norman Wells, continued during last year to meet the needs of the mining and transport operations in the Northwest Territories, namely around 1,100 barrels a day. There are at the present time several million acres of territory containing mineral rights currently held by large oil and mineral companies in the Northwest Territories and the Yukon, and during the year and in the years ahead a great deal of money will be expended by industry, not only to untap but to unlock some of these large resources of oil, gas and other minerals which most competent observers now believe to exist in the northern reaches of our country.

My time has expired, Mr. Speaker, and I shall take my seat.

Mr. McIvor: On a question of privilege, Mr. Speaker, I wish to thank the hon. member for the outstanding information he has given to us.

(*Translation*):

Mr. Ovide Laflamme (Bellechasse): Mr. Speaker, at the outset of my remarks, I would not want to miss the opportunity to congratulate sincerely the mover (Mr. Hanna) and seconder (Mr. Robichaud) of the address in reply to the speech from the throne, because they have both shown themselves worthy of their constituents and I have no doubt that they will soon be given unmistakable evidence of appreciation.

I intend to deal with certain problems of special concern to my constituency, one of which is mentioned in the speech from the throne, that is "greater encouragement to the farmers", and to make a few suggestions concerning the application of the unemployment insurance act.

Representing a constituency that is exclusively agricultural, I consider that the interest shown by the present government in these numerous problems facing our farmers must be implemented by measures whose application will soon have salutary effects; otherwise within ten years we shall witness a substantial reduction of the present number of operating farms.

The farmer's income must remain at least equal to the average of that of other trades, and agriculture must offer advantages at least equal to those enjoyed by Canadian workers generally.

Our farmers hold with reason that too often their products merely cover their expenses. The uncertainty of obtaining adequate prices for their products has the effect of discouraging private initiative.

On many farms, the farmers have been making a living out of lumbering as well as from the sale of the usual farm products. On many farms the timber stands are depleted, and the farmer loses half of his income sources. If the farmer is not helped and guided in his production, he will tend to seek another way of life. His status as owner will be changed to that of an employee offering his services to industry. There follow from this a number of serious consequences for the survival of the agricultural class in this country; unemployment, removal to cities and the loss of an important part of our national heritage, a part which is as essential to the progress of this country as every great phase of our industrial development.

Among the necessary remedies besides reforestation we must include planned production and the assurance given these fellow citizens of ours that their labours will be recompensed by stable markets and a remuneration sufficiently large to allow them to earn their living in as much comfort at least as other classes of Canadian workers.

I would also like to bring to the Minister of Finance's (Mr. Harris) attention and to the attention too of the Minister of National Revenue (Mr. McCann) a request already made by the Catholic Farmers' Union, and which I consider highly justified. They ask that farm revenue be considered as the result of a family enterprise and not as the fruit of the work of the father only.

At the present time a farmer who works the land with his sons must pay income tax on the whole of the revenue unless he has paid his sons in cash.

It must not be forgotten that the father who is a farmer is the head of a family undertaking. The work of the children is the source of his revenue and even if this work is not paid in cash, it can legitimately be argued that it should be deducted from the personal income of the father. Should the father wish to remunerate the work accomplished by his sons, he would have to pay considerable salaries which would reduce his income and which would be deductible from his income tax under present arrangements.

Child labour, whether paid for in cash or not, should also be legitimately deducted from the revenue of the whole farm since revenue due to the work of a large number of people should not be taxed as revenue earned by only one person. The father-son relationship should not constitute an exception to this rule.

I now wish to call the attention of the house to the present situation as far as unemployment insurance is concerned.

I am going to make but a few suggestions which, I believe, could appreciably improve the administration of the unemployment insurance act and regulations.

It should always be borne in mind that, and I believe that it is the purpose of this law, the unemployed is in most cases in urgent need of an income.

The great number of insurance claims may seem normal to the officer dealing with the claims, but a quick settlement of the cases submitted is essential to the unemployed.

In my opinion a further decentralization of the insurance offices is required, as in some periods of the year they are overworked, and cannot, in spite of the co-operation of the staff, deal adequately with the claims submitted.

[Mr. Laflamme.]

Also the unemployed person should not have to travel several miles at his own expense in order to submit his claim or to obtain the information he wants.

A larger number of offices would meet that need more adequately.

A good many claimants often need information either about the way they should submit their claim or about the administration of the act, the regulations under which are amended almost every year. It is essential, I think, that any unemployed person applying to an unemployment office to fill in his application forms be met by someone in a position to give him all the information required, to acquaint him with the benefits provided by law and to interpret the act in connection with the facts stated by the applicant.

Often the commission sends by mail to the applicant a set of questions with which he is unable to deal adequately. However, the answers are taken literally and sometimes result in unjustified disqualifications.

Surely all these worries suffered by the applicant could be avoided by a more thorough study of the case at the outset.

In the event of an appeal from the decisions of the insurance officer, the appellant, in most cases, must go to a lawyer. If he wins his case, the commission returns him his benefits but makes no allowance whatever for his travelling expenses and does not even pay the fees of the person who helped him state his case.

In my opinion, this is not normal. Either the commission must provide free of charge the services of a lawyer, in such a case, or it should have in its own office someone who would act in all cases as counsel for the claimants and would at all times be at their disposal. This is the procedure followed in connection with the pensions and allowances of war veterans.

Moreover, I would suggest that a lawyer sit on every conciliation board made up of three (3) members since, in fact, the function of these boards is to pass judgment on the legality of a claim and to analyse the facts in accordance with the spirit of the act. The decisions at present made by these boards are based, 95 per cent of the time, on cases already heard. Such decisions make up a jurisprudence while we all know that each case may have characteristics of its own.

In summing up, Mr. Speaker, I suggest:

1. That a larger number of offices be established so as to be within reach of the unemployed and thus avoid large travelling expenses.

2. That employees responsible for supplying information and acting, so to speak, as counsel for the claimant be posted in each office.

3. That costs be paid to each claimant who succeeds in gaining his point before the board of arbitration.

4. That a lawyer be named on each board of arbitration.

All this should be done in order to lend a greater efficiency to the Unemployment Insurance Act, which is so essential to the workers, to ensure better relations between claimants and commission employees, and to make people aware that unemployment insurance, which is paid by the government, by the employers and by the employees is a capital guarantee for the workers to whom it gives collective security in case of unemployment.

My fellow-citizens always look to the future with confidence and they remain confident that their demands will always be heard more favourably by the present government than under any other system of government.

The legislation enacted by the government in the social security field and gigantic projects such as the St. Lawrence seaway and the construction of a trans-Canada pipe line set the pace for our industrial development and stimulate private enterprise. We can safely say that our people enjoy the highest standard of living in the world, after our neighbours to the south.

Enjoying an enviable reputation, having a truly Canadian foreign policy, we will soon see the day, I hope, when our Canadianism will be attested by a national emblem which will remain a symbol of unity, and of a desire for peace and freedom.

(*Text*):

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I deem it a great privilege to be able to voice once again in this House of Commons what I believe are the sentiments of the people of my constituency. I regret the need to mention once again some of the problems that face the people back home. I had hoped that a large number of these problems which already existed when I was first elected in 1953 would have been met by adequate legislation on the part of this parliament by this date; however, the government has not seen fit to meet these needs thus far.

There are a great many problems that cause us some concern, but in one short talk one cannot begin to deal with all of them. I would like very much to deal with the problem of housing, which threatens to become a most serious problem this year. I would also like to speak on the subject of insurance in all its phases. When I look at the statistics that are available I see the Canadian people are bleeding themselves white in a vain effort to buy for themselves a feeling of security in this rich Canada of ours. I would like, too, to raise the problems confronting the Canadian veteran, and I would also like to speak concerning the problems of the British Columbia farmer. I do feel, however, there are two problems which are most urgent at the present time, and I intend to confine my remarks to these two matters.

I think the greatest problem facing the people, in my constituency at least, is the need for an upward revision in the old age pension. I believe I am safe in saying that there are not many constituencies in Canada in which reside over 7,000 old age pensioners. Almost every fourth or fifth person I meet when I am home is under old age security benefits.

The other problem I have in mind is the failure of the federal government of Canada to recognize adequately other levels of government in Canada. I do not use the term "lower levels of government" because that would be reflecting the attitude of the government of Canada. In my estimation the other governments of Canada are not in any way lower governments, and I feel it is time that we put an end to people referring to municipal and provincial governments and other forms of organized society as lower levels of government.

I listened closely, and the following day I read closely, the speech from the throne, but failed to find an indication that those two major problems are being tackled by the proposals offered by the government. I see recorded on page 2 of *Hansard* such expressions as "excellent progress", "expansion", "rapid strides", "unprecedented levels", "blessed", "greater" and "enjoying the benefits". In one paragraph almost every sentence contains an adjective or superlative to indicate the wonderful blessings we have in Canada, the inference of course being while under a Liberal regime.

I dare say that may be so in a good many respects, and I do not want to take away any credit for progress where progress has been made. In my estimation the speech from the throne consists of 75 per cent pious platitudes, 20 per cent references to minor legislation and amendments of detail, and 5 per cent reference to some of the problems with which Canadians will be faced. In that 5 per cent I would include the reference to the setting up of a Canada Council, an increase in grants to universities, increases and extensions of grants to technical and vocational education,

an amendment to the Municipal Grants Act, and the continuation of the wheat board as the sole marketing agency.

This is a long way from meeting some of the problems faced by our people, many of which have been caused directly by the progress we have been making in certain fields. My greatest complaint and the greatest complaint of old age pensioners is that the prosperity of Canada is not being shared equitably by all sections of the Canadian people. I think if old age pensioners read that one paragraph beginning with "excellent progress" and containing such expressions as "expansion", "rapid strides", "unprecedented levels" and so on, they would find such boasting slightly nauseating, almost as nauseating as the gas which unfortunately many of them turn on at night in order to put an end to the miserable existence they are forced to face.

The C.C.F. proposal in regard to old age pensions has been for long $65 a month at age 65 without a means test. In addition we have proposed on numerous occasions, and in the province of Saskatchewan where the C.C.F. forms the government we have implemented, a program of health care for old age pensioners. We have advocated on more than one occasion—and the hon. member for Vancouver East (Mr. Winch) has referred to this in the house—low rental housing for our senior citizens and others with similar low incomes.

An old age pension of $65 a month at age 65 in British Columbia, if we retained the present $20 supplementary payment by the provincial government with a means test, would mean that the needy people of our province would have an income of $85 per month. That would go a long way toward making those people feel that they too were enjoying some of the benefits of this rich Canada which they had helped to build.

I want to pay a compliment to another relatively new political party in Canada upon the attitude it has taken on the subject of old age pensions, and I refer to the Social Credit party. I feel that in the three western provinces we have gone a long way toward alleviating some of the suffering of these people, and we fail to understand why a rich province such as Ontario cannot do at least as well as Saskatchewan, under a C.C.F. government, or Alberta and British Columbia, and pay a $20 supplementary allowance.

I regret that I cannot go along with the proposals which have received publicity in our daily press back home and which have been made by the Social Credit government in British Columbia. According to the press reports they are advocating that Ottawa continue to pay $40 a month but agree to share the cost of the supplementary allowance on a 50-50 basis. If I have misunderstood the proposal I hope that succeeding speakers will correct me, but I understand that this would mean $80 per month in British Columbia, which almost equals $85.

However, we in our group are sufficiently aware of the problems faced by other parts of Canada to realize that while such a proposal might be satisfactory to the rich provinces of Canada, there are many provinces that would be unable to meet that type of matching grant arrangement. If such an arrangement were to be adopted by this government it would mean that once again we would have old age pensioners in one part of Canada receiving much less than those in other parts.

The other day someone asked me how much I thought old age pensions in Canada should be. The C.C.F. and many other major non-political organizations have advocated $65 at 65 without a means test, but my answer to that question was that in reality it is very difficult to say offhand how much an old age pension should be. My answer would be that the least we could do is to bring the purchasing power of the old age pension back to what it was in 1927. I submit that $40 does not supply to our senior citizens today those things which they have to buy to the extent that $20 did back in 1927. It may be that the value of our money has been reduced by about that percentage, but when we consider the things on which these people spend their money we are today on a much lower level than we were back when old age pensions were first introduced. That purchasing power, as I said, should be restored, and in addition I feel that the senior citizens of Canada should also share in the technological advances and the great increase in production of our Canadian economy. They are as entitled as anyone else to an ever-rising standard of living.

The first essential, of course, when we advocate an increase in the old age pension, is that we must establish the need for an increase. I do not think I have to say very much on that point. Our government recognizes, and I am in full accord with what they are doing in this respect, that our newly-arriving immigrants from Hungary must be maintained at government expense for some time until they can be fully established. However, what is the estimate of this expense? As I understand the situation, the government is prepared, where necessary, to pay up to $3 a day for the maintenance of a refugee from Hungary. I want to make it very clear that I do not oppose that in any

way. The C.C.F. party was the first to criticize the government for not doing enough for would-be immigrants to Canada.

However, we can easily understand the feeling of our senior citizens when they are told that they must exist on $1.33 a day in a country they have helped to build and for whose wealth they are responsible when the same country can turn around and, after ignoring their needs, can pay for the maintenance of other people the sum of $3 per day. It seems rather inequitable. With respect to the need, where do we find these senior citizens who need an increase in the old age pension so badly? Sometimes they are rather difficult to find. They cannot afford to live on the ground floor level with the street. You have to go up to third and fourth floor attic rooms to find them. You have to go into musty basement rooms to find them. You have to go to the shacks on the outskirts of the better residential areas. When we consider the conditions under which our senior citizens are forced to live in many parts of Canada I believe that some of us should hang our heads in shame.

What can you buy today on $40 a month? You go to various homes in our cities and you find that the average modest room in an old dilapidated rooming house will cost you $30 a month. That leaves our old age pensioner with the magnificent sum of $10 a month with which to pay for food, clothing, in many cases medical care, and all the other necessities of life. I know I am not speaking of the average citizen in Canada today. However, there are over 100,000 old age pensioners in the province of British Columbia alone to whom this is an important issue.

I know that some of the people of Canada have been enjoying relatively good times ever since world war II began. I know there are some Canadians, and I meet some of them rather often, who as a hobby are able to afford farms in the country. They would not dare attempt to make a living from their farms; otherwise we might get some decent farm legislation. You know, it is lovely to be able to take your guests on a Sunday to the farm or ranch. Some of these people keep horses there, or cattle and other livestock. I have seen some of the stables. It is very nice to be able to show your guests around. But in carrying out these hobbies far more money is being spent on housing for the horses and cattle than is being spent on housing, food and clothing for people who have helped to develop this country and who are responsible for some being able to have farms as a hobby where they can go on a Sunday, and maybe by having such farms help to relieve the income tax situation.

It is not the fault of these old people that they are in such great need. Not only are they in great need, but so are our blind pensioners, our veterans and our disabled people. In referring to our old age pensioners I have in mind all people who have to exist on pensions paid by the people of Canada through the government. I almost made the mistake of saying "paid by the government". The money is paid by the people of Canada through the government.

Many little things can be done to make the lives of many people easier. We still insist on the cruel 20-year residence clause. You do not have to be a citizen in order to obtain the $40 a month. You can be a foreigner. You need never have made any major contribution to Canadian citizenship and the welfare of the Canadian community as a whole. You need have no citizenship papers, but if you have lived here for 20 years you are entitled to the $40 a month. However, if you were a refugee from Hitlerism in the Sudetenland and came here in 1939 because you were a believer in democracy and your life was at stake, then even though you may be as old as Methuselah this government will not have any mercy on you because you have not lived here for 20 years. If you are in need you have to go and beg assistance from the local municipal welfare office.

I think it is high time that we removed the 20-year residence requirement. When our own citizens are given a rawer deal than people who may have lived here for a long time but have never assumed the responsibilities of citizenship, I think something should be done.

The question then arises, can we afford $65 a month at 65 for everyone in Canada, plus free health care and plus low rental housing for these people? In 1927 the gross national product of Canada was a little under $6 billion. In 1956 it was over $29 billion, and for this year the forecast is over $30 billion. In other words our gross national product has gone up five times since 1927. If we could afford to pay $20 a month then it is not too illogical to conclude that we should be able to pay $100 a month now, or five times what we paid then.

Looking at the matter in another way and going back only to 1949, when the universal $40 pension was introduced, at that time the gross national product of Canada amounted to $16.4 billion. This year we expect it to be practically twice as much. On the basis of a gross national product of $16.4 billion we decided the economy could afford a pension of $40 a month. Surely when our production

is twice as high the economy should be able to afford twice as high a pension. That would be $80 a month.

Once again, Mr. Speaker, the C.C.F. proposals turn out to be most reasonable indeed. I receive letters in my mail asking me to plead for a pension of $100 a month. I am not saying that Canada cannot afford to pay $100 a month. However, if the government would pay $65 a month at 65 I know it would go a long way toward meeting the urgent need in Canada. We are responsible to a very great extent for the financial position in which these people find themselves. By deliberate policy the government has permitted the inflation of our currency over a long period of years, thereby indirectly—it may seem very direct to those affected—robbing hundreds of thousands of our senior citizens of what they thought was an adequate retirement plan for which they had sacrificed. Many of them had purchased annuities. Many of them had done it through life insurance company investments. Many of them had done it through investment in farms and the like.

There were a great many who lost their assets during the catastrophe of the hungry thirties. There are many in my riding who lost their farms on the prairies because of the economic conditions at that time. This parliament at that time passed emergency legislation to safeguard the apparent solvency of the investment houses and insurance companies of Canada, but this parliament did nothing to safeguard the solvency of the vast majority of the producers of Canada, at that time notably the farmers of the western plains. I have many of them in my riding who, under normal circumstances, would have been able to look after themselves in their old age in their own way and would have done so very well.

That is why I say this parliament shares a great measure of responsibility for the need that now exists. Not all the proposed increase will be net cost to government. Much of this money returns into the hands of the various governments of Canada. By means of sales and excise taxes, customs duties and, in the case of those who do not need it, income tax and succession duties, a goodly share of this money is returned and is therefore not a net loss to government income.

I also think of the great aid this would be to Canadian agriculture. When these old age pensioners get more money, what will they do with it? They will go out into the market place and maybe for once be able to buy a few eggs, a little bit of bacon, some butter, some cheese and so on. That is what our farmers need. They need a market at home in Canada. Paying more money to the old age and other pensioners of Canada is the easiest way of relieving at least some of the problems of Canadian agriculture.

I do not plead, Mr. Speaker, for the old age pensioners because of our ability to pay more money. I do not plead for them because of pity for them. I do not plead for them for the sake of a market for the farmers. I do not plead for them for the sake of election. I plead for them because, if we represent these people in the House of Commons, it is our duty to bring to the floor of this house the needs of those we profess to represent. I feel that they are entitled to more money and that it is a right that ought to be granted to them.

Then there is one other problem that I feel is not being met. I welcome the proposed amendment to the Municipal Grants Act, but that is meeting the situation only a small part of the way. Some day in Canada we shall again be obliged to sit down around the conference table and rethink Canadian confederation. This is going to be a long process, because the problems are many and varied. However, I feel that this year, 10 years before our hundredth national anniversary, would maybe be a good time to begin facing up to the situation.

Here in Ottawa we have a government that collects over 70 per cent of the tax revenue of Canada, yet the major responsibilities for the business of government in Canada are not in Ottawa at all. In my case they are back in Burnaby and in British Columbia. The individual back home, the taxpayer, just has to stop and think for a moment to realize that he gets most from his hospital board, his school board, his municipal council and his provincial government. They are the organizations that give him most of the things he needs. Yet when he considers who gets his tax money he is obliged to realize that it is time we began thinking about this problem that is threatening Canadian institutions more and more as the years go by.

I propose that we have 10 years of time in which to begin to meet the problem. A mere amendment to the Municipal Grants Act is not solving the problem at all. Certainly it is a little bit of relief for some of our municipalities; but the taxes on real estate, which were once the major source of income, have reached their limit. The taxes on Canadian homes and on Canadian farm land are, I feel, as high as they can safely be set. It is time we declared a moratorium on any increase in taxation on real estate in Canada.

I am not a centralizer. I do not feel that this government should bear all the responsi-

bilities of government in Canada. I believe democracy begins at home, and that you build on from there if you want to build a successful democracy. However, I do not believe that you should rob the home of all the money it has and shoulder the home with all the responsibility. I think that situation must be met. I feel that the Canadian people are rational, reasonable and educated enough so that if there is a will to meet the problem, it can be solved and we can go on to the second century of Canadian progress and Canadian development.

I realize, Mr. Speaker, that my time has expired. I should like to repeat once again what I said before. In fact we are all worried about that little piece of land we occupy in this House of Commons, and especially that piece of land across from me occupied by government members. Here is another reference to a piece of land. I have reference to the old age pension. It is a quotation we all know, Mr. Speaker:

Honour thy father and thy mother: that thy days may be long upon the land which the Lord thy God giveth thee.

Mr. W. G. Blair (Lanark): Mr. Speaker, I should first like to offer my congratulations to the mover (Mr. Hanna) and the seconder (Mr. Robichaud) of the address in reply to the speech from the throne. I always pay particular attention to this part of this debate. This year I thought the addresses were of a high order. They showed an amount of careful preparation, and the subjects they introduced were well thought out. The addresses were delivered in a very fine manner.

I wish to speak for a short time tonight on the question of the railway strike. In this connection I wish to present a petition which I have received from the clerk of the town of Smiths Falls. In that town there are 1,700 people involved in this strike. This petition did not come to me in the usual way of petitions; it came in the form of a letter. I could not present it in the usual way by filing it with the Clerk or during routine proceedings, because the letter is addressed directly to me. With your consent, Mr. Speaker, I should like to read this petition into the record because of the fact that it is a letter addressed to me. It reads as follows:

Municipal Offices
Smiths Falls
Ontario.

January 8, 1957

Dr. W. G. Blair, M.P.,
Parliament Buildings,
Ottawa, Ontario.

Dear Dr. Blair:

At a meeting of our municipal council duly convened on the evening of January 7, 1957, the following resolution was passed for your attention and action thereon:

"Whereas the welfare of the town of Smiths Falls and district is threatened by the railway strike

Be it resolved that the mayor convey to the federal member for Lanark county, Dr. W. G. Blair, M.P., this fact and ask him to inform the government of Canada of the urgent need of having the strike settled."

Yours truly,
F. R. Gilroy,
Town Clerk.

Having presented this petition which came in the form of a letter, there are some things I wish to say concerning this strike because it affects a considerable proportion of the people of the riding which I have the honour to represent. The general consensus, so far as I could judge from the addresses in this house, is that this strike is having a very serious effect on the economy of Canada from the Atlantic to the Pacific, and that the sooner it is settled the better. We heard one address yesterday from a maritime member concerning conditions around the port of Saint John. We know the situation with respect to the western wheat farmer. We know the effect on industry in Ontario, and I think opinion is unanimous that this strike must be settled as soon as possible.

I was glad to hear today that there was some sign of settlement of this strike by getting these people together. We hear a great deal about automation, and there are people talking about automation now who never even thought of it two weeks ago. Certainly automation is going to make progress, and any person who would say it is not is simply talking in a foolish manner. Automation will proceed, and automation on the railways will increase in the coming years. I think a good example is to go back to conditions in England in 1850 at the time certain improvements were made in the textile industry with the introduction of new looms, whereby it was possible for one workman to do the work that was formerly done by four or five. At the time automation was introduced into the textile industry it was the main industry in the midlands of Britain. These textiles were shipped all over the world. When the new looms came into use people were thrown out of work. There was a great deal of unemployment. There were riots and difficult times in England. It was not easy for people to understand just what was happening, but there must be progress along those lines. Progress will be made in so far as the railroads are concerned.

I had one thing in mind concerning this strike. I admit candidly that I am not so well versed on labour matters, but I am concerned with the matter of safety. I noted that in the report of the conciliation board there was one sentence that cast some doubt on the question of safety. In considering the

question of removing the firemen or engineer's helpers, as they have been called, from the locomotives, there was the suggestion that we would try this thing out and if it did not succeed then we could return to the old system. At least that is the way I interpreted that part of the report, that various changes could be made. I confess, sir, that I have not had experience with labour relations but I have had experience with casualties. I cannot get away from the feeling that there should be a full inquiry into this matter. In so far as the firemen are concerned, they have made a statement that this procedure is not safe. I believe that the firemen are a group of highly responsible people, and if it is not safe there should be a full inquiry into the matter.

If it is ruled by an impartial board that automation has proceeded to the point where the other man is not required on the engine, that is one thing; but if there is the slightest element of danger, then that should be taken into consideration. Any person who has had any experience with railroads knows that wrecks have occurred even under present conditions. It is rather difficult to get away from the matter of human error. Sir, I can call to your mind some accidents that have happened in Canada. I can refer to probably one of the worst accidents that ever happened on a railroad; that is the one that occurred at Almonte a few years ago. It was a dreadful accident; and with all the safety devices on the railroad, with good crews and every care being taken, that accident did happen with the resultant loss of life and horrible injury. I am not fully convinced, therefore, that this matter of safety and the question of human error has been dealt with fully as yet. I feel there should be a further inquiry by a board to make absolutely sure the public is protected.

It is all very well to say you can try this out. It is just like driving an automobile; it is a lot easier to fix the automobile than it is to recover from physical injury. I am glad to see that there has been some move toward an inquiry along that line. As I have stated, I will not be fully convinced until I read a report concerning the matter of safety. I want to be absolutely sure the public of Canada is protected from any form of accident. In my opinion this matter of safety is the crux of the whole thing. Either we do require that extra man on the engine or we do not, and that is the matter which must receive careful consideration from any board appointed to investigate the situation.

Another aspect of the strike with which I am concerned is the matter of people employed in public utilities. I know I am suggesting something very difficult, but it would seem to me that those employed in public utilities—I am thinking of such public utilities as the hydro, police force and firemen, without whom we cannot get along—should work out some formula or some device for conciliation between the employer, which is generally a municipality or a province, and those working in the public utility. I feel it would be better for such a move to come from labour. It is a very difficult thing to work out, I admit, but if a move were made along that line I think it would be of benefit to all concerned.

I wish to turn for a few minutes to the question of agriculture. I was glad to note the other day in the speech from the throne that some consideration would be given to the question of submarginal land and the possibility of using some device such as the prairie farm rehabilitation act. We go back in the history of this country to the time when the pioneers came here. In going across the country it is very easy to see the areas in which these pioneers settled. They took the high land, and the valleys and lower parts of the country were not utilized at first. They cleared the timber right off the land because it was their ambition to put in crops of some kind to carry them through the ensuing season.

Since that time we have carried on a program of cutting down everything in the nature of timber. I have seen areas in the country where anything that would make a small piece of timber seemed to have been ruthlessly cut down. We have formed no program for the replacement of those trees. This is becoming very important now, because there is usually a spring run-off and there are no trees to hold back the water. The water goes down the streams very rapidly, and we are trying to correct that by building reserve dams.

That is not the answer, Mr. Speaker. We should have a program in this country something like that which has been adopted in some of the Scandinavian countries, namely, if you cut down a tree, plant a tree. There are places in some of the older areas of Canada which do require reforestation, because some of the land was not suitable for farming when it was first cleared. There are other areas which are now classed as submarginal land, which could be used if that land had not been mined but had received proper crop rotation, and if the farmer could have afforded to place fertilizer on the land.

You hear remarks made by economists in agriculture that the time is coming, because of the new type of machinery that is available at the present time, when the larger farm will be the only type of agricultural

unit that will pay. I for one would be very sorry to see some of these smaller farms discontinue operations. The usual description is family farms. I cannot help but think of the fine families that were raised on those farms and the contribution they made to the economy of this country. But I do believe that some of the farms that are worked out at the present time have been mined on account of the fact that farming is becoming a difficult financial venture. I believe that some of those farms could be brought back by the proper use of fertilizer and crop rotation, and that the situation is not hopeless. But there are abandoned farms, Mr. Speaker, the occupants of which have become discouraged. You will find them working in industry. They are not doing any practical farming but are living in the houses on the farms and spending their time in industry. The general complaint of farmers across the country, and especially in my part of the country, is that the prices received for farm products have not kept pace with the prices of consumer goods that the farmer buys. They will all tell you that. This is becoming very apparent to the farmer and is causing many of them to leave the farms; and it is discouraging many young people from entering into the occupation of farming.

Then there is another thing. There has been a steady upward movement in the cost of living. It has gone steadily up in the last three months. I was rather surprised and sorry to note the other day that while the added cost of living was due to various things, there was one thing that seemed to balance out the other way, namely the lower price received for farm products. From the reports we receive I am quite sure that 1957 may be a better year in agricultural circles so far as prices are concerned. There has been the feeling that it may be slightly better than it has been the last four years. Toward the end of last year there was some rise in the prices of agricultural products, and 1957 may be a better year, or equal to 1954; but net farm income will be hundreds of millions of dollars less than the record year of 1951 because costs were lower in 1951 than they were in 1956. Retail prices of food in the stores in 1951 were about the same as they were in 1956, but freight costs, wages and processing costs have increased.

I am going to quote one very well-known authority on agriculture, namely Mr. Bryan L. White, for whose judgment on agricultural matters I have the greatest respect. In the farm page of the Ottawa *Journal* he points out this fact:

> There is only one deduction for any fair-minded person to draw from these facts. It is that the farmers of Canada have practically paid for all costs added to food since 1951.

Mr. White was referring to the matter of costs and farm income in the years 1951 to 1956, and he went on to say this:

> Wages in the food processing industry have advanced every year, packaging has cost more, but few if any of these costs have been reflected in consumer prices. They have all been deducted at the bottom from the farmer.

I did mention, sir, that I was interested in this committee. I hope when the committee makes its report on the so-called submarginal land it will remember other things, namely that it is necessary to have trees to preserve water; and if industry is going to grow in a province such as Ontario recognition must be given to the enormous amount of water that is used by industry at the present time. Water has become precious. The building of reserve dams will not fully cover the whole matter. It is necessary that we learn and progress more along the line of reforestation, and also consider the deleterious effect of erosion on land.

The matter of reforestation is something that is very important at the present time, but it is difficult to get people to understand it. When our ancestors came to this country it had immense forest cover, but we are only beginning to realize that we cannot proceed without doing something to bring back the land. I remember talking to a forestry man in the Ontario government. I mentioned a part of the country to him and asked why we could not cover those thousands and thousands of acres with pine trees. The land was originally covered with white pine. He made a remark that amazed me. He pointed out that this land had been burned over and it would really take hundreds of years before the land would again become capable of growing pine trees.

It is not a foolish project to carry on a reforestation program, because in time the timber will begin to pay as it did years ago when the land was first cleared, when the trees were sold in the form of squared timber and mighty rafts went down the river to Quebec. The market for squared timber was one of the principal markets of our earlier pioneers.

There is one other matter that I wish to talk about tonight, sir, and that is some of the things that are misunderstood in so far as public relations are concerned between urban and rural dwellers. There is one matter that is really very interesting, because the other night I heard a man speaking on the radio who was evidently a trainer

of athletes. He was talking about the harmful effect of milk. There are people talking about this who do not know what they are talking about, because we have always regarded milk as being the perfect food. If this propaganda goes out from people who do not know what they are talking about it will have a harmful effect on the dairy industry.

Medical research has been carried on into the cause of some heart conditions. The work is not yet completed, but there is a feeling that various animal fats have something to do with the causes. When we consider that for years children have been raised on milk—and we believe that milk is a perfect food—it would seem to me that we must attack this problem with common sense, because the eating of fats, or the eating of anything, is all a question of temperance and how you use it. The overeating of any particular type of food is a foolish thing.

This idea is taking hold in the public mind, possibly due to the fact that people read in the paper of the large number of citizens who seem to have developed heart conditions. This is to the detriment of the Canadian dairy industry. This has not yet been advocated by dietitians, and the question of temperance enters into this matter. As I have said, intemperance with regard to any form of food could produce the same effect.

The Prime Minister, in speaking of the matter of health yesterday, made mention of the fact that men in public life and those occupying high positions were subject to great strain and stress, and that the demands of their positions were having a bad effect as far as their physical condition was concerned. The day before yesterday we had the resignation of Hon. George Drew the leader of this party due to ill health, and yesterday brought word of the resignation of Sir Anthony Eden for the same reason. Sir Anthony Eden underwent a most difficult operation three years ago, and those who are his political enemies could very well bear in mind that here is a man who carried on and did a job for his country despite his physical condition. The President of the United States, General Eisenhower, has had difficulties with his health, as has Mr. Dulles. I fully agree with the Prime Minister that the strain and stress of public life is taking its toll among people who are at the head of governments and those who occupy prominent positions. No matter what our political affiliation may be, I feel we should take this into consideration and a measure of sympathy should be extended toward these people.

Before I leave the question of agriculture I should like to refer to an article which appeared in the *Globe and Mail* this morning. The article is somewhat interesting, and it concerns the health of farmers. It seems that in the southern United States there is an organization known as the international federation of agricultural producers. The Louisiana State University school of medicine conducted a survey in which this organization was interested. The survey revealed that more than 60 per cent of the population of the United States suffers from headaches. The investigation also revealed that medical students had more recurring headaches than anyone else in the country, while farmers had fewer than any other group. This is not a joke; it is a report of the survey made by the Louisiana State University school of medicine. The article goes on to say:

> It was not suggested that farmers have less to worry about than other people. The reason for fewer headaches on the farm may be that farmers breathe more fresh air.

I have inserted this in my address because I thought it contained a touch of humour. I am perfectly sure that if farmers do not suffer the physical ills of headaches they certainly suffer headaches in the slang sense of that word. It is a fact that the returns from the sale of farm products have not kept pace with the increased cost of living to the farmer. That is the issue which is causing so much difficulty for the farmer at the present time.

There is one other matter contained in the speech from the throne with which I should like to deal, and that is the question of aid to municipalities. Every person in this chamber, every home owner, and every person who rents in this country is becoming increasingly aware of the fact that taxation on real estate has reached the saturation point; there is no doubt about that. I noticed a statement made by the premier of the province of Ontario a few months ago. He said he had to deal with the reception of 750,000 additional children in primary and elementary schools within the next nine years. This simply means the province of Ontario and its municipalities must make arrangements for the education of almost double the number of pupils they have at the present time.

It is going to be extremely difficult for the municipalities to meet that increased demand by the addition of elementary and high schools. In the same period of time the universities will also double the number of students they have. This is a most serious matter. The young people of this country are our greatest asset. Meeting the increased demands involves in addition to education the supplying of public utilities, sewers, roads, highways, and all the things that are dealt with by the municipalities.

There is no doubt but that real estate has reached its saturation point in terms of taxation, and that at some stage in the next few years we must make arrangements for increased expenditures. I have grave doubts that the broadening of the taxation field through an increase in population or increased industrial expansion will entirely cope with this matter. With regard to aid to the municipalities, any thought the government has given to this matter and any start it makes, no matter how small it may be, will be a step toward some realization of the position of the municipalities. If conditions do not change in the next nine or ten years we are going to be faced with a serious problem. In some way or other there must be a means of granting increased aid to the municipalities.

There are other matters, sir, which I might mention at this time, and one is the position of the veterans. Before I left my home last week I watched a television program which dealt with an institute that cares for homeless men, men in a difficult financial position; as a matter of fact it is a mission. During the program the superintendent of this mission interviewed some of the men who were enjoying a free meal there. In many cases they were returned soldiers, and some reported that they received the veterans allowance. Others said they were not able to work because of their age or state of health, and some were not in receipt of a pension adequate to provide them with a room, meals and the comforts of life.

There is one group of ex-soldiers for whom I wish to make a special appeal. I refer to the soldiers of the first war who served only in England, and who are not eligible for veterans allowance. It is important to remember that they feel they have just as much right to receive the war veterans allowance as do members of the second war who served only in England. This feeling was created possibly because a theatre of war was declared with regard to one war and not with regard to the other. Many of the men who served only in England in the first war were held in position there, and some were ill or unfit. It was through no fault of their own. They made themselves useful in their positions. If you have had any experience in the army you will be aware it is not a good thing to take a man away from a job he is doing well.

Those who served in the first war are growing old, and they are few in number. They look at their comrades who served in the second war, many of whom served only a short time in England, and they feel they are being discriminated against because they are not receiving the war veterans allowance. Certainly their hearts were in the right place when they enlisted, and it is not their fault that they are not eligible. They are becoming older and fewer in number all the time.

In view of the decreasing number of these old gentlemen, who with the best possible motives enlisted in the first world war, I ask the government to reconsider the matter of war veterans allowances and grant allowances to those who served in England in the first world war. As I watched the movie showing these men being fed I felt that there was something wrong when they were forced to obtain a meal at a mission in order to keep body and soul together. Certainly this parliament should do something.

There are not many of them, and it would not cost this country very much. I hope no member of the government will say that we of the opposition ask the government to spend money and at the same time ask the government to save money. This is a small matter, and it does not enter into the question of spending money. It is the duty of Canada to look after these aged citizens who with the best motives volunteered in the first world war.

I know some of these men personally. They have no pensions, as they are in between the age groups. The average age of men who served in the first world war is in the early sixties, and many of them are not eligible for the old age pension with a means test. They are receiving nothing. The fact that they served should be recognized. I know it would be the wish of every Canadian that these people not be neglected.

(*Translation*):

Mr. Alexis Caron (Hull): Mr. Speaker, at the beginning of my remarks, I wish to join with the hon. members who have already congratulated the mover and seconder of the address in reply to the speech from the throne (Mr. Hanna and Mr. Robichaud), who carried out their particular function in a splendid and masterful fashion. They spoke as statesmen, and we thank them for enlightening the house on many subjects.

Since the last session, important changes have taken place in this house, especially on the other side where we see a new leader of the opposition. I wonder if I must congratulate him or commiserate with him. A mixture of both feelings is appropriate, I guess. I must congratulate him for the support he received from his friends of the Conservative party who gave him a majority on the very first ballot. On the other hand, it seems that I must commiserate with him as he has entered a field fraught with difficulties. He

will have to bear a very heavy burden, and I hope that Divine Providence will give him the strength and courage to do so, for, even if he should come back to this house as leader of the opposition after the election, I must say to him that it is no dishonour to remain in that post for a long time.

We have been speaking quite extensively in this house about the well known question of Suez, and some people have gone as far as to suggest that the behaviour of the Canadian government during the crisis had endangered the future of the British commonwealth. I wonder if those people have bothered to study the matter with sufficient thoroughness.

When Israel invaded Egypt, for reasons which they explained clearly enough from their own point of view, France and England immediately undertook their own invasion, thus leaving peace in a most delicate position.

The Canadian government's position with regard to this matter has, to my mind, been most commendable. The representative of the Canadian government to the United Nations, the hon. Secretary of State for External Affairs (Mr. Pearson), did not want to condemn either England or France, but he nevertheless tried to maintain peace in the world with a reasonable suggestion. He therefore asked, by means of a resolution, that France and England withdraw their troops from Egypt and that the United Nations replace them with a force that would be responsible for maintaining peace and preventing invaders of any country from returning to this area.

The position of the Canadian government under those circumstances has been commended by almost all the countries of the globe. The United States took this opportunity to support the proposal made by our government because they also sought universal peace. That is why I hold that, by its action, the Canadian government did not endanger the British commonwealth. On the contrary, by its attitude, it merely consolidated its relations, because the commonwealth was on the verge of losing the support of India and of some other countries of the East who wanted to leave the commonwealth as a result of England's attitude. Since then, our union has been once more strengthened. Recently we received in this country the visit of the prime minister of India who came to hold talks with our own Prime Minister (Mr. St. Laurent) about affairs of concern to the whole world. He believes that the whole world needs Canada's help. He knows that our country has been capable of stopping to reflect on matters, of taking no account of its own particular preferences, of looking facts in the face and of attempting to protect that peace for which we have so often fought in the past.

I am convinced, Mr. Speaker, that Canada now deserves to be considered as one of the most enlightened countries in the whole world and that our leaders have acted in a most admirable fashion.

Mr. Speaker, in view of the time, I propose the adjournment of the debate.

(*Text*):

On motion of Mr. Caron the debate was adjourned.

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

HOUSE OF COMMONS

Friday, January 11, 1957

The house met at eleven o'clock.

FINANCIAL ADMINISTRATION ACT

AMENDMENT TO PROVIDE FOR PRINTING OF NEGOTIABLE INSTRUMENTS IN BOTH ENGLISH AND FRENCH

Mr. Raoul Poulin (Beauce) moved for leave to introduce Bill No. 6, to amend the Financial Administration Act.

An hon. Member: Explain.

Mr. Poulin: The purpose of this bill is to provide that every cheque, postal note, etc., issued by any department or crown corporation shall be printed in both official languages.

Motion agreed to and bill read the first time.

THE CANADIAN ECONOMY

GORDON COMMISSION REPORT—INQUIRY AS TO IMPLEMENTING LEGISLATION

On the orders of the day:

Mr. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Prime Minister and ask him whether the government has any intention of bringing in legislation at this session to implement any of the recommendations of the Gordon commission on Canada's economic prospects; and second, and in particular, whether it is the intention of the government to bring in any measures to encourage Canadian companies in business to compete successfully with foreign companies, such as by special tax concessions and the like, as recommended by the commission?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, the report of the commission was published only yesterday and will be given careful consideration. There has been no decision by the government about any of its recommendations up to the present time. If after careful consideration of the report the decision is made that there would be time during the present session to give proper consideration to legislation, it will be introduced in due course.

The hon. gentleman's question about competition by Canadian companies is in very general terms. There are Canadian companies which are competing most successfully for business in both the domestic and world markets.

There are, perhaps, others that are not in a position to do so as successfully; all these matters will receive serious consideration. Now, with respect to the tax matters to which the hon. gentleman has referred he well knows that any announcements of that character are made in the budget speech and not before the budget speech.

Mr. Diefenbaker: Then, Mr. Speaker, is this clear that at the present time the government has nothing in contemplation to be introduced at this session, having regard to the necessary shortness of this session, to implement the recommendations?

Mr. St. Laurent (Quebec East): The government has nothing to announce on this matter and it may very well be that some of the projects that the government will place before parliament will—not because of the report but because of the consideration that had been given to the matters previously—coincide with recommendations of the report; but nothing has been decided on the report since it was produced and submitted in the ordinary way to His Excellency the Governor General.

Mr. Diefenbaker: Some of the recommendations do not coincide with government views?

GORDON COMMISSION REPORT—INQUIRY AS TO PRIOR STUDY BY PRIME MINISTER

On the orders of the day:

Mr. W. M. Hamilton (Notre Dame de Grace): I should like to ask the Prime Minister whether he had an opportunity to study the recommendations of the Gordon commission before their official publication and submission to the members of this house.

Right Hon. L. S. St. Laurent (Prime Minister): As soon as the report was received it was submitted to His Excellency the Governor General. I read a summary of the report and I read the report itself in typewritten form. I did interest myself in the general tenor of the report but I had no time to go into it thoroughly. It is a very long and interesting document. There were some portions of it that did not surprise me at all

and there were some that probably did surprise me because they seemed to indicate a conception of the existing situation, for example, with respect to the wheat board, that did not fit with my conception of what the role of the wheat board was. I was rather surprised that there should be in that section pages that appeared to me not to reflect a proper conception of what parliament had intended the role of the wheat board to be.

LABOUR CONDITIONS

CANADIAN PACIFIC RAILWAY—REQUEST FOR STATEMENT ON PRESENT POSITION OF NEGOTIATIONS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): May I ask a question of the Prime Minister? Will he say whether or not a settlement was reached in connection with the C.P.R. strike, and if not can he say what is the present position of each side with respect to the position?

Right Hon. L. S. St. Laurent (Prime Minister): No settlement has yet been reached. I have had more than one interview with representatives of both sides and both sides have submitted objections to some of the terms I had set out in a short paper that I had entitled "A Proposal for the Termination of the Interruption of Transportation Services on the Canadian Pacific Railway Lines."

The objections were not the same on both sides, but I do not consider that they are insuperable objections. This is being considered by both sides and I hope that there will be a speedy settlement which will permit of a speedy resumption of the transportation services.

(*Translation*):

FINANCE

CANADA-UNITED KINGDOM LOAN AGREEMENT—WAIVER OF INTEREST ENTITLEMENT

On the orders of the day:

Mr. Fernand Girard (Lapointe): Mr. Speaker, I wish to put a question to the Prime Minister. Could he tell the house if the government has made any undertaking with regard to the proposed waiver of $22 million in interest charges due by the United Kingdom?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I hope that the hon. member will see no objection to my answering his question in English since I will have to refer to statutes, and these references are in English. I have had no time to check the French text and I should not like to make a free translation whose terms would probably not be those which the official translators have used in the French version of the statutes.

(*Text*):

The Canadian-United Kingdom loan agreement of 1946, which appears as a schedule to the United Kingdom Financial Agreement Act (1946, Chap. 12), provides that the United Kingdom is entitled to a waiver of interest in any year in which certain conditions exist. In brief, the Canadian loan agreement entitles the United Kingdom to a waiver when the following conditions are met:

(a) That the United Kingdom finds it necessary, having regard to its gold and foreign exchange reserves;

(b) That the international monetary fund certifies to certain specified conditions regarding United Kingdom balance of payments statistics; and

(c) That any other country which has made a loan with similar conditions is also waiving the interest payment.

That is a commitment that was made in the contract that was approved by parliament in 1946. Early in December of last year the United Kingdom formally requested a waiver of the interest which would be due on the 31st of December, 1956. Because of another rather complicated clause in the United States-United Kingdom agreement relating to the status of certain sterling balances, a clause which is not in the Canada-United Kingdom agreement, the United States government found it lacked authority to grant the waiver, but it announced that it would renegotiate the waiver clause and submit a new clause to congress. That, of course, prevents one of the conditions under which the waiver would be contractually obligatory upon Canada from being realized.

The Canadian government is considering what action it would be appropriate for this government to take and as soon as this consideration has been completed the conclusion arrived at by the government will be put before parliament and there will be an opportunity to discuss it here in parliament.

In the meantime the United Kingdom has paid the instalment of principal amounting to $15½ million which was due on December 31 and has, I understand, set aside in an account in the Bank of Canada the amount of interest, this to be held by the Bank of Canada until a decision has been reached whether or not there will be a waiver of interest granted by all those who have similar loans.

ROYAL BANK OF CANADA—REQUEST FOR COMMENT ON REMARKS OF PRESIDENT

On the orders of the day:

Mr. J. M. Macdonnell (Greenwood): I should like to address a question to the Minister of Finance. Has the minister had drawn to his attention the remarks made yesterday by Mr. Muir, president of the Royal Bank, on the question of credit controls, and will the minister comment on them at all now or at some future date?

Hon. W. E. Harris (Minister of Finance): I have read the remarks as reported in the morning newspaper. My first impression is that Mr. Muir agrees with government policy that some form of credit restriction is necessary and not only agrees but goes further and says that perhaps additional forms of credit restriction are necessary. We shall have a look at his remarks in greater detail when there is an opportunity.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Thursday, January 10, consideration of the motion of Mr. R. F. L. Hanna for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Diefenbaker, and the amendment to the amendment of Mr. Coldwell.

(*Translation*):

Mr. Alexis Caron (Hull): Mr. Speaker, yesterday I was congratulating the government for preserving the unity of the commonwealth at a time of particularly serious emergency and saving the world from a third world conflict. Canada has declared its opposition to wars of aggression and we must recognize that, in this regard, its position was sound, no economic interests to my mind being worth a single drop of blood. If some people are not yet convinced that problems should be solved by peaceful means, they must not count on our aid. If the unfortunate experiences of 1914 and 1939 have not been such as to cause them to reflect upon these matters, the world is indeed in desperate straits.

As President Eisenhower said yesterday to the United States Congress: "An aggressive war is a crime against humanity". That is also the opinion of Canada; we do not want to be parties to any crime.

It is precisely because Canada is opposed to crimes against humanity that at the General Assembly of the United Nations our representatives have condemned in unequivocal terms the repression by the Soviet Union of Hungarian patriots.

I had the great pleasure of entertaining in my own home, on Christmas day, a group of Hungarian refugees, one of whom spoke French and another English. These people told me things that we would have not thought possible in this twentieth century. A father, his wife and two children had to crawl several miles through mud to take cover from Russian fire. Russians were firing at them to prevent them from gaining their freedom. These people told me that story themselves and it was corroborated by another member of the group.

In Budapest, a woman and child were killed by soldiers for failing to stop when ordered to do so. All these refugees can thus recount instances of truly revolting brutality.

I am convinced that when this crisis of Russian imperialistic madness is over, those barbarians themselves will blush at their own deeds. I am happy to congratulate the government, and particularly the Minister of Citizenship and Immigration (Mr. Pickersgill), for the promptness with which Canada opened its frontiers to those unfortunate victims of their love of freedom.

I also congratulate the government for wishing to endow Canada with a council for the arts, humanities and social sciences. If our country has reached political and economic maturity, it must now turn to things of the mind. To prevent Canadians from becoming merely poor imitators, we must endeavour to create a truly Canadian art, one which will not be a pathetic copy of imported art.

A question that has been and will continue to be widely discussed, both verbally and in print, is the matter of proposed government assistance to universities. It is high time for action in that field and the Prime Minister has had the courage to propose a formula designed to save those temples of knowledge from bankruptcy; but the Quebec dictator is opposed to it, unconcerned about what our nation will become without those institutions of high learning.

In a country expanding as rapidly as Canada is doing, there is a growing need of specialists in all fields, which only our universities can train.

Indeed, we already hear the laments of those who are responsible for this stagnation! They accuse us of being centralizers. They claim that, through these donations, the federal government infringes upon a field that is exclusively provincial, that of education.

But how and where can the millions of dollars given unconditionally to universities

be considered as an intrusion in the field of education?

With such reasoning, millionaires should no longer be permitted to bequeath part of their fortune to such institutions. Wealthy corporations should no longer be allowed to grant scholarships for special studies. That would be ridiculous. I would be prepared to agree with them if, in exchange for such grants, the government required changes of curriculum in this or that faculty but, as I said, an unconditional donation does not constitute interference.

In all parts of Canada, rectors of universities have gladly and gratefully accepted this offer from the federal government, except in Quebec, where fear of the master causes them to hesitate between a realization of the great need, and threats which are not even veiled.

It is high time that the leaders of our Quebec universities make up their mind to face up squarely to the dictator and tell him: "Take care, for in the end we will come out the winners; remember that spirit has always prevailed over brute force." Then you will see the type of turn about of which this tumbler is capable.

When I hear people find fault with this proposal of the federal government under the pretence of safeguarding our language and our faith, I am inclined to think that this is sheer demagogy.

If actually we had been meant to disappear as a racial entity, it is immediately after the conquest of 1760 that it would have happened, because at that time, the noble and the rich went back to France, leaving behind 60 thousand poor people, most of them illiterate, to fight it out by themselves, or just about, with the conquerors who, however, have respected treaties.

Now that this miracle of the survival of a handful of men has been brought about by Providence, it would be impossible to crush the six million French-speaking Canadians scattered all over Canada, most of whom live in the province of Quebec.

We have acquired such a strength that we now hold the balance of power in Ottawa, a fact that the Liberal party has understood much earlier than did the other parties which are still stagnating on the opposition side.

Moreover, so long have we been ruled by fear, that French Canadians still hesitate to play their full part in our great Canada.

Yes, our country is now an international power, an evolution which the Fathers of the Confederation could not foresee. That is why we must look and act as full-grown men in a great country which will soon have, I hope, a truly distinctive flag bearing no sign whatever of interdependence.

[Mr. Caron.]

(*Text*):

Mr. W. G. Dinsdale (Brandon-Souris): It is not often, Mr. Speaker, that in the throne speech debate I concentrate exclusively on local matters. This year, as I look through the speech from the throne, unfortunately it does not provide too much opportunity to dwell on domestic problems because a large part of it is concerned with external policy. It could be argued, of course, that in view of the continuing international crisis this emphasis is important. We are still under the shadow of the crisis in Suez, and if those problems are not settled adequately there is very little use giving attention to domestic issues.

The speech from the throne is sometimes referred to as a state of the nation speech, and we should be able to cover the issues that are most pertinent in Canada at the present time, particularly those which concern our local constituencies. As far as the problems on the higher level of external and foreign policy are concerned, we hope there will be other occasions in this house during this session when we will be able to come to closer grips with these matters.

I notice that in their presentations both the mover (Mr. Hanna) and the seconder (Mr. Robichaud) concerned themselves with the matters that were closest to their constituencies. The hon. member for Edmonton-Strathcona, in his genial Irish way, very effectively presented the problems of his area, although I think perhaps he did not have much to say about those problems. He had definitely kissed the blarney stone in the traditional Irish sense, and he presented a picture that all was for the best in the best of possible worlds in Edmonton-Strathcona. Then, too, the hon. member for Gloucester in his presentation ended on an optimistic note. He thought it was time that the maritimers forgot to be pessimistic and moved forward to emphasize the positive or the optimistic side of the picture. I am glad to know that he agrees that under the new regimes in the maritimes things are going to be much better in that part of the country.

Mr. Gillis: Read the Gordon report.

Mr. Dinsdale: I have not read it in detail.

Mr. Gillis: On the maritimes.

Mr. Dinsdale: That is all in the past.

Mr. Gillis: It is not very optimistic.

Mr. Dinsdale: Is it not?

Mr. Gillis: He deals with the future.

Mr. Dinsdale: I am going to crave the indulgence of the house to refer to some matters that are of immediate concern in the Brandon-Souris constituency. It is true the

speech from the throne talks in general terms about the continuing prosperity in Canada. However, I sometimes feel that on the Ottawa level we cannot see the woods for the trees, and while we can speak in grandiose terms about the general prevailing prosperity, sections of the economy have not participated in an equitable way in the general economic upsurge in Canada during the post-war years. However, I do not want to begin on that note, either.

One of the reasons why I am sticking to local matters in this address is that this year, in my particular corner of the country, we are entering upon anniversary observances which have some importance. These anniversary observances commenced some three years ago in southwestern Manitoba, an area that was settled in the early 1880's. In the past three years several of our communities have been observing 75th anniversaries. Two years ago the town of Deloraine had an observance of that kind. Last year it was the towns of Boissevain and Souris, and this year the towns of Killarney and Virden and the city of Brandon will be observing 75th anniversaries. It is an occasion when we are marking the achievements of the past and looking forward to the prospects of the future. The celebrating of 75 years of actual settlement and incorporation in that part of the world underlines the fact that we are a very young community in western Canada. There is to be another 75th anniversary this year. Very shortly, I believe, our Prime Minister will be celebrating his 75th birthday, his 75th anniversary. This also points out that actually within the lifetime of one man, who has assumed a very prominent role in this country, western Canada has progressed to the present relatively high state of organization and progress.

We are still a very young nation and while we sometimes feel we have not made very much progress in some parts of Canada this is perhaps due to our youthfulness and our anxiety to get on with the job, to seize the tremendous opportunities that are available to all Canadians today and also, of course, to seize the responsibilities arising from those opportunities.

My constituency which is presently called the constituency of Brandon-Souris existed as the constituency of Brandon until the redistribution in 1953. It is typical, I feel, of the type of social organization that has emerged in the west since settlement began in 1880. It has produced some of the most prominent men who have held a position of representation in this house.

From the year 1896 until about 1912, I believe, the late Sir Clifford Sifton was the member for Brandon. It was under Sir Clifford's leadership that the tremendous upsurge in immigration took place in the early 1900's which assured that western Canada would assume a growing position of prominence in our Canadian economy. He established a pattern for immigration during those years that might well be followed by the present administration because in a comparatively short time some three million new citizens were brought into western Canada under his leadership.

Another important era in public life in this country was marked by another former member for Brandon, the late Hon. Robert Forke who for a few years was the leader of the Progressive party in this chamber. I think all hon. members will agree that very significant developments in public life on the national level emerged out of that period of politics in the twenties when the Progressive party played a prominent role.

I do not think I will be regarded as prejudiced if I say the Progressive movement, the farmers' movement in this country and particularly in western Canada, brought a fresh breath of air into public affairs which has had an influence right up to the present time. Certainly the Liberal party under the leadership of Mr. Mackenzie King, after he had absorbed the Progressive movement or certain aspects of it, was a very different Liberal party from the Liberal party that existed under the earlier regime of Sir Wilfrid Laurier. There was a new emphasis in Canadian public life. Not all of the things that emerged out of that movement were beneficial, of course. Sometimes we westerners are known as the wild and wooly westerners; sometimes perhaps we are regarded as being somewhat irresponsible or at least certain influences in western Canada are considered in that light. Nevertheless there were some beneficial influences that emerged out of the Progressive movement.

On opening day it was my privilege to attend the ceremonies held in connection with the unveiling of the monument to Sir Robert Borden. I found those ceremonies very impressive indeed and I was interested to hear the tributes that were paid to that outstanding Canadian leader and particularly the emphasis that was placed on the role he had played in establishing Canada's position as an autonomous nation amongst the British commonwealth of nations. It occurred to me at that time that had it not been for the fresh breezes that blew out of the west in the wake of the Progressive movement that introduced new ideas and emphases into Canadian public life it would not have been possible for Sir Robert Borden to have achieved the new status for

Canada. Certainly the wave of immigration under the leadership of Sir Clifford Sifton brought in new ideas and a new emphasis on national spirit that made it possible for Prime Minister Borden to declare a position of independence for Canada at the treaty of Versailles conferences without creating too much unfavourable reaction back home in Canada.

The fact exists as well that we had established our reputation as a responsible national power during the trial of world war I, but I still claim for western Canada that some of these new concepts, this fresh impetus and the new emphases made it possible for Canada to proceed one step further along the road toward becoming a nation among the nations of the world.

More recently we have had outstanding representatives from the constituency of Brandon in the persons of Colonel D. W. Beaubier, who represented that area during the difficult early thirties, the late Mr. J. E. Matthews, who at the time of his death was the dean of this house by point of age, and then of course, just prior to the amalgamation of the constituencies of Brandon and Souris, the latter constituency was represented by Mr. J. A. Ross who, like so many of those who have devoted the major part of their lives to public service, is unfortunately at the present time not enjoying good health. In the past two years he has unfortunately been suffering from ill health, a reaction to the strenuous exertion he put forward in this house for a period of 13 years on behalf of the people of the constituency I now have the honour to represent.

We have rather an illustrious history emerging from this part of southwestern Manitoba. It was the opening of western Canada which made it possible for the flow of golden grain which in many respects changed our whole national economic picture. In the early days Brandon became known as the wheat city of the west because it was the first point at which large shipments of wheat were received. John A. Macdonald's dream of national unity was only made possible when he conceived the whole plan of confederation on the opening up of western Canada and the beginning of our grain economy.

In those days the city of Brandon founded an agricultural exhibition. Perhaps they were a little ambitious when they called it the dominion agricultural exhibition. No doubt they hoped to occupy the place now occupied by the royal agricultural winter fair in the city of Toronto. Such was the spirit of those early pioneers who moved into that area. Somewhat later they had to be satisfied with calling their exhibition the provincial winter fair and the provincial exhibition, but it is still one of the largest of its kind in the country and has made outstanding contributions to agricultural life.

That was the picture down through the years until fairly recently, perhaps we can say up to the commencement of world war II in 1939. More recently Brandon has become the home of the western Canada trade fair. I think that name nicely and aptly suggests the new pattern which is emerging in the western economy where you have the western Canada trade fair intimately associated with the provincial exhibition of Manitoba and the provincial winter fair.

There is a new order, if I may call it that, or a new era emerging in the prairie economy which has become clear to all hon. members from that part of the country. This is the picture which was presented by the hon. member for Edmonton-Strathcona in his excellent remarks the other day. However, unfortunately the speech from the throne gives little indication that the present government is aware of what is taking place in western Canada. It gives little indication that the government is aware of the dynamic changes which are taking place.

I have had the preliminary report of the Gordon commission in my hands only overnight and have had an opportunity merely to scan it, but after scanning some of the main points in this interesting report I would say that here are a group of economists who have given serious thought to what is taking place in the Canadian economy at the present time, who have an appreciation of the changes that are taking place.

Looking at some of the sections of the report I find that their subject matters have been the topics of discussion in this house during recent months. I find reference to wheat, to the development of energy resources, the taxation of the oil and gas industries, secondary manufacturing industries, our commercial policy and foreign capital investment in Canada. After noting those I almost come to the conclusion that the commissioners responsible for the report had been looking over the shoulder of the Hon. George A. Drew or had been reading *Hansard* diligently to see the excellent analyses he had made of the situation during the past few years when it was my privilege to serve under his leadership in this house. I can almost say that he must have written part of this report.

Certainly it is a stimulating experience to find that those who have been charged with the responsibility for analysing our economy as it is and our future economic prospects have shown such a progressive and enlightened grasp of the situation. In many respects it is the viewpoint that we have held

in western Canada during recent years. It is a direct challenge to the government to do something about these things, to keep step with the dynamics of the economic and social changes which have been occurring in Canada, particularly since the end of world war II. It is a challenge to the government to do something about it or to step aside and let someone else meet the situation as it needs to be met at the present time.

There were some references in the speech from the throne to certain problems on the agricultural front. The agricultural picture has been far from bright in the past few years. Reference is made to a survey to be conducted in all parts of Canada of land use, and the suggestion is that the government is going to give consideration at long last to the possibility of establishing a legislative program for comprehensive conservation measures.

The Prairie Farm Rehabilitation Act has been on the statute books ever since the days of the drought in the early thirties. As has been mentioned in this house, it is a tribute to the appreciation of the problem by the prime minister of that day, Mr. R. B. Bennett. Unfortunately it applies only to western Canada. Certainly a measure of this kind would be in the best interests of the Canadian economy as a whole, not only from the agricultural standpoint but also from the standpoint of the total picture.

Considering the rapidity with which our economy is developing at the moment, we must give serious attention to this problem of conservation on a national basis. During recent years certain private members have placed resolutions on the order paper covering this matter and we have had worth while discussions, but to amend the P.F.R.A. in an attempt to cope with this problem is to deal only with a small aspect of the total difficulties which face agriculture at the moment.

We are moving toward an industrial economy. It has become almost platitudinous to say that you cannot have a healthy economy or a healthy society unless you have a strong, solvent and progressive underlying agricultural industry. Unfortunately we do not have that at the present time. The industrial revolution which has hit western Canada has made serious inroads into our agricultural activity. The government has done nothing to deal with the changes which are taking place. These matters have been mentioned many times in the house. We have talked about the price squeeze under which the farmer is suffering. We have talked about the problems created by surplus production. However, perhaps the major difficulty is the general exodus of people from the farm.

These are only three of the subjects which require immediate action on the part of the present administration having regard to the nature of the economy in which we are operating at the present time and to the "price squeeze" in which the farmer finds himself. It is an inflationary economy—an economy key-noted by industrial development in which both capital and labour find themselves on a price escalator. It seems that no sooner do prices rise under the impact of creeping inflation than labour asks for an increase in wages. It is a fine, thrilling ride for those who largely derive their incomes from these two orders of activity, that is to say, capital and labour, but for those who are not on the "escalator" it presents a very difficult situation indeed. Those who do not benefit include, unfortunately, our farmers and those of our citizens in receipt of fixed incomes.

We have had many dramatic pleas in this house that some action should be taken which would at least place these people in receipt of fixed incomes on the first step of the stairway to better conditions even if they cannot ride the escalator which exerts such a heady influence on those who are riding it at the present time. We have heard appeals for war pensioners, appeals for blind pensioners and others, and I would like in particular to join in supporting the appeal which the hon. member for Lanark (Mr. Blair) made last night on behalf of veterans of the first world war who saw service only in the United Kingdom and who as a result are not eligible for war veterans' allowances. These are obvious questions, and questions to which immediate attention should be given by a government which professes to be representing the general interest of the people of Canada.

Someone has said that if capital and labour ever get together it will be "good night" to the rest of us, which recalls the original point I was making, namely that we find prices and wages going up in parts of the Canadian economy and remaining static in others. In these circumstances there is more truth than fiction in a statement of that kind. The price situation is, of course, giving rise to much discussion in western Canada concerning a fair price relationship. We hear a lot of talk among farmers' organizations about the necessity for parity. I think we can quite safely say that in regard to government intervention in economic matters the farmer has been the most neglected individual. Last spring we were sitting in on a hearing in connection with amendments to the Farm Improvement Loans Act and we were hearing evidence from Dr. Hope, who is the economist for the Canadian federation of agriculture. Someone—I have

forgotten which member it was, but it was one of the members from Saskatchewan—asked Dr. Hope this pointed question: "Do you, Dr. Hope, know of any country where the government does less for the farmer than does the Canadian government"? Dr. Hope's reply was very brief, yet very emphatic. It was: "No".

The agitation that goes on in the west as the farmers try to cope with the very rapid changes that are taking place in the economy is quite justified. A lot of it, perhaps, is not in touch with the realities of economics and there has been a divergency of opinion expressed from time to time; the organizations representing the farmers have not agreed as to what the best solution might be. But certainly, Mr. Speaker, something has to be done to stabilize the price position of the farmer more effectively if we are going to avoid some of the worst consequences to our agricultural industry. The Gordon commission deals with this question. I cannot refer to its report in any detail because I have not had time to read it fully but, briefly, the commission does refer to farm prices and makes recommendations concerning the activities of the Canadian wheat board and, no doubt, the government will be giving attention to some of these recommendations. On page 29 of the report in the chapter headed "Agriculture", paragraph 15, the report says:

> We believe that the objective of a price support program for farmers should be roughly the same as that of unemployment assistance to industrial workers, namely, to mitigate distress due to economic fluctuations.

In paragraph 16 the report goes further with regard to this subject, and the concluding sentence says:

> We believe that the determination of the support price on the advice of a full-time board would be preferable to the application of more or less automatic formulae.

These are specific recommendations made by the economists who were dealing with the problems.

The movement of people from the farms is one of the major difficulties. Dr. Baker, who has been conducting some research into agricultural matters in the province of Saskatchewan, says that the small farm has become obsolete on the prairies and that we are going to see a continuation of this movement of farmers away from the prairies. This is, of course, related to the problems of the price squeeze and surplus production. The danger point here is not that the farmers are leaving the farms—that is an inevitable process in a changing economy—but that the changeover may not be accomplished satisfactorily. I see, as I glance through the Gordon commission report, that in the year 1980, they mention, four out of every five of our citizens will be living in urban communities, which suggests that this trend from country to city will continue apace. But that is not the crux of the problem. The crux of the problem is: Where do they go and how do they get there? That is a matter to which this government has given absolutely no attention though it is one of the major difficulties which lie before us. The solution involves changes in educational policy—we shall be discussing that at length, Mr. Speaker, in this house in relation to improved grants to universities—it involves equitable distribution of industry across Canada rather than having it concentrated in two central provinces; it raises the old question of the decentralization of industry, and the government has hardly given that any consideration whatsoever.

This involves all the problems that arise when resettlement problems emerge in our economy. For example, with respect to the educational problem it has been pointed out to us on many occasions that we are not beginning to meet the need for new technicians in Canada. In a recent Citizen's Forum discussion on radio and television it was pointed out that we need immediately 100,000 new technicians. How are we going to produce them? We have two institutions devoted to this activity, the Ryerson Institute in Toronto and the Institute of Technology in the city of Calgary. They are capable of producing a relatively small number of technicians each year. In contrast, Russia has 1,500 technical schools.

This means that we are wasting the talents of our engineers by having them perform the functions of technicians when they should be devoting their better training to the functions of engineers. Someone has suggested that the proportion of technicians to engineers should be four to one. At the present time our position is the reverse: we have approximately three engineers for every technician. This situation is vitally related to the agricultural problem I have been discussing. If young people are moving from the farms in response to the changing economic pressures, if smaller farms are being absorbed in larger farms, certainly there is plenty of room for these displaced persons in our growing industrial activity, but the government must take some responsibility with respect to resettlement and retraining.

My time is rapidly coming to an end and rather than go farther with the matter of inequities in our national development I shall leave it on the basis of what I have said about agriculture. I could have gone further and discussed the industrial aspect. The two are closely related. After all, we are a national

economy and if changes take place in one segment we must make the necessary adjustments to restore a balance to the situation.

Donald Creighton, who has acquired a certain fame recently following the publication of his excellent biography of the life of Sir John A. Macdonald, Canada's first prime minister, made a speech to the anniversary banquet of the United Grain Growers in Calgary last November in which he put his finger on the nub of the matter with respect to the point I have been trying to make that there is an imbalance in development in Canada. At that time he said:

> The farm leaders drove home the truth that a true national policy must be for the whole nation, for agriculture as well as for industry, and that the powers and resources of the state must be employed so as to distribute burdens and equalize opportunities over the nation and through all its classes and groups.

That, I think, Mr. Speaker, is an excellent summary of the approach that must be taken by the federal government during these changing times. The speech from the throne was utterly disappointing in this respect. I trust that the government, in any further proposals that it makes during this important session of parliament, will attempt to come to grips with the problem. Otherwise I am afraid the amendment to the speech from the throne moved by this group will come true very quickly in this country and it will be apparent that not only has the house lost confidence but that the people of Canada have also lost confidence in this administration.

Mr. A. W. Stuart (Charlotte): Mr. Speaker, I should like to congratulate the mover (Mr. Hanna) and the seconder (Mr. Robichaud) of the address in reply to the speech from the throne. The mover is well known to us all but we fellow New Brunswickers wish to express our appreciation of and gratitude for the manner in which our colleague from Gloucester county, New Brunswick, conducted himself during this debate. I believe his speech will be very well received by his constituents and by the people of the province of New Brunswick as a whole.

We met here on January 8 earlier this week at a time when a most serious and apparently unnecessary railway strike was affecting many parts of our great country. In my county, the county of Charlotte, we have no C.N.R. connections of any kind and this creates a more serious problem. Thousands of tons of Minto coal go to the pulp mill at Woodland, Maine. Thousands of tons of Minto coal go to the cotton mills in Milltown in my own riding. Conleys, who export hundreds of thousands of pounds of lobster to the United States, are obliged to truck their product long distances under very difficult circumstances. Connors Brothers Limited are in the same position. Ganong Brothers Limited, candy manufacturers in St. Stephen, are in the same position. I have received telegrams from many people explaining the serious situation as supplies of coal are running very short at this time.

Unemployment directly and indirectly attributable to the strike is having a most serious effect in my constituency and in all parts of the maritime provinces. We must all acknowledge, however, that the city and port of Saint John will be harder hit than any other section of our province.

I had expected great things from the new leader of the official opposition (Mr. Diefenbaker) when he spoke on this serious problem in the house a few days ago, and I was particularly sure that the hon. member for Saint John-Albert (Mr. Bell) would come up with some constructive suggestions since his home city has been declared an area of serious emergency.

An hon. Member: What a hope!

Mr. Stuart (Charlotte): The attitude taken by these two hon. members, however, is one of fence-sitting, pussyfooting, petty politicians. In his remarks yesterday in this chamber the hon. member for Saint John-Albert mentioned a strike which took place a year ago at a sugar refinery in Saint John and immediately said with emphasis: Remember now, I am not taking sides. With respect to every other strike he mentioned he wanted to emphasize the fact that he did not want it forgotten that he was not taking sides. The same statement was made with respect to the present strike and the difficulties we have had to contend with in our part of the country. In his remarks regarding the railway strike he was most careful not to commit himself in any way. When he resumed his seat I asked him a question. I did not interrupt while he was speaking. I said, as found at page 68 of *Hansard*:

> I would like the hon. member to tell us, if he would, what he would suggest as a solution to the railway strike.

He answered:

The resignation of this government would be the best one—

The resignation of the present government would only mean a 20 year delay so far as the Conservative party is concerned. That may be his solution to the problem but I know that most people in the maritime provinces would not be prepared to wait 20 years for a solution of this serious railway strike with which we are faced right now.

Mr. Cardiff: How silly can you get?

Mr. Stuart (Charlotte): I do not think that is quite as silly as my friend to the left because I keep still when others are speaking. I think he might follow the same practice. It is quite obvious that the hon. member for Saint John-Albert left this serious matter in a way that would allow him to interpret his remarks in any manner he wished. If the hon. member for Saint John-Albert were asked by a C.P.R. employee what his views were, he could immediately change this whole situation to meet the need. If he were asked by the management of the C.P.R. what his views were in connection with the matter, again, if he would be honest, he would say, "I have said nothing". But I feel quite sure that his attitude in this regard will not be acceptable to his own home city of Saint John. I do not believe that they would be satisfied with the manner in which he has dealt with this matter.

I received telegrams from W. W. Macaulay, mayor of Saint John; Parker D. Mitchell, mayor of the city of Lancaster; and E. B. Ross, deputy mayor of St. Andrews; Charlotte county board of trade and other boards of trade. In every case these words were used: A state of emergency exists. We request you to act at once by urging the government to use their emergency powers. That is exactly what I did when I came to Ottawa. I urged upon the government the necessity of settling the strike as soon as possible, and that they use anything within their power to see that it was settled. I want the people in my constituency to know just where I stand in this regard. There is no pussy-footing on my part. I believe in being straightforward and speaking what you believe to be honest facts.

The telegrams I have received are all urgent ones. The people who are sending those telegrams are greatly alarmed over

conditions there at this particular time. I believe that circumstances warrant members from the maritimes taking that stand and that action. However, the hon. member for Saint John-Albert, I am sorry to say, did not take a stand at any time during his remarks in this house. It was a case of sitting on the fence from start to finish. It may not offend many in his constituency, but I feel sure it will not be endorsed by too many either.

After his remarks in connection with the strike, the hon. member went on to condemn the federal government for their lack of interest in the maritime provinces. At the same time he painted a most gloomy picture of our economic future. I have here an advertisement that appeared in his own Saint John *Telegraph-Journal* just six months ago. It was placed in the Saint John *Telegraph-Journal* by the Progressive Conservative Association of New Brunswick. It reads in part:

Premier Hugh John Flemming has announced a $20 million manganese refining industry for New Brunswick.

Attorney General West has announced the reopening of the mill at Marysville.

The Ministers of Agriculture and of Industry and Development have announced a new frozen food plant for Florenceville. Another one is in prospect for the city of Lancaster.

Hon. Mr. Fournier has announced the Flemming government will construct a new bridge at Edmundston. The new Limestone Bridge, in Victoria county, was officially opened Saturday.

The pulp and paper industry has announced plans for a huge five-year expansion program—a direct result of Hugh John Flemming's power development.

Wages are up more than 15 per cent since 1952. Construction is up 21 per cent in New Brunswick over last year—the second highest increase in all Canada.

The economy of the province was never better . . .

For three consecutive years, the Flemming government has reduced the net debt . . .

I realize that when we reduce a net debt here we are bitterly criticized by those sitting in the official opposition. But I am proud of any government that has a surplus rather than a deficit. Surely a government that has a surplus, be it federal or provincial, does not need financial aid. When they boast of their surpluses, it is good indication to the people of this country that things are not too bad.

I might follow this up with the statement that on New Year's eve our premier came out with a statement in the same glowing terms as the one I have just read, indicating that conditions were very good in our province. At that time I am sure he did not ask for any assistance of any kind. That story that was told in June and the one that was told on New Year's eve is different from the story we

heard told here yesterday by the hon. member for Saint John-Albert. He made no mention, it is true, of the fact that the federal expenditure in the province of New Brunswick during the past twelve months was more than double the total revenue of our provincial government. This federal government spent in my province in the last twelve months $130 million but we never hear any credit given to anyone in connection with it. At this point I may say that $20 million of the $50 million that we have as our total revenue comes as a contribution from this government. Two fifths of our total revenue in the province of New Brunswick comes directly from the federal government. I never hear a Conservative member ever give anyone any credit for that. I can assure you, Mr. Speaker, that in my province we could not exist without that assistance we are receiving from the federal government. There was no mention of the fact that this $20 million is used to provide employment for the friends of the Conservative government, something which is true. We all know it. Only yesterday I received a report. It is from the editorial and information division of the Department of Northern Affairs and National Resources and it reads in part as follows:

> . . . plans were outlined for a 1957 expenditure of about $3,500,000 to control the spruce budworm outbreak in northern New Brunswick.

This has been going on for several years. The federal government has never been hesitant in any way in making their contribution. I have yet to find one single circumstance where this government has ever refused to assist our provincial government when it had a legitimate case to place before it. I have searched the record and can find no case where assistance, when it was requested from the province of New Brunswick and where it was felt that the matter under consideration was beyond their financial capacity, was not provided. I also doubt that the hon. member for Saint John-Albert himself can find any such case. I have not been able to do so.

There is an article that appears in *Maclean's* magazine—a copy was sent to me yesterday—by Blair Fraser. It is headed "Backstage at Ottawa" and there are some extremely interesting remarks in that particular article. Under the subheading "Where can Ottawa spend Its Hoarded Half-Billion?" we find the following:

> One region that leaps to mind when capital development is discussed is, of course, the Atlantic provinces—the maritimes and Newfoundland. Hundreds of millions in public funds have been spent or lent to develop other parts of Canada in recent years, with projects like the St. Lawrence seaway and the trans-Canada pipeline. Nothing proportionate has been done for the Atlantic region.

Ottawa would like to correct this imbalance. Hon. Robert H. Winters is Minister of Public Works as well as M.P. for Lunenburg, N.S., and a devoted maritimer.

That is something we all can confirm. The article continues:

> He has repeatedly made, and Prime Minister St. Laurent has echoed, invitations to maritime spokesmen to bring to Ottawa any ideas they may have for development of their native land. The implication is that if money is all that's needed, that will be no obstacle.
>
> So far there has been amazingly little response. New Brunswick has a hydro-electric project in mind but it presents serious engineering problems, as well as the doubt that a sound hydro project should need help anyway. Otherwise, a typical maritime reaction has been, "If Ottawa would make its suggestion more specific, we'd be delighted to discuss it". The fact that Ottawa is inviting suggestions, not making them, is glossed over.

I think Blair Fraser made a true statement according to facts right there. He goes on to say that some plans have been proposed that are rather fantastic. We all know that. But as to any constructive plan that came from the province of New Brunswick that would help the province and the country, so far as federal funds are concerned I am confident that this government are prepared to go ahead and do what they can to improve conditions.

We must all admit, as New Brunswickers, that our retarded development in New Brunswick is caused by the serious lack of cheap electrical energy. We all know that. We can never hope to become an industrialized area until an abundance of electrical power at a reasonable cost can be developed. None of the projects now under construction or consideration can supply that power except the Passamaquoddy tidal power project. A survey has been undertaken jointly by the United States government and the Canadian government to determine whether this project is economically feasible. A full-scale investigation will get under way this spring. Today these engineers, whom I meet very often, are compiling information in their offices on both sides of the border that dates back 30 years. They hope to be able, by April 1, to get a full-scale investigation under way. It is my honest, sincere opinion that this is the only answer to our economic problems in New Brunswick. It is on this project that I pin my faith, and it is on this project that federal assistance will be required. It is on this project that federal assistance will be provided if the investigation proves the project is a sound one from an economic standpoint.

Again, I would wish to emphasize the fact that an abundance of cheap power is the only answer to our problem in New Brunswick. As Blair Fraser quite rightly said, some of the plans that have been proposed

whereby federal financial assistance would be required are pretty fantastic. Any assistance from the federal government should have long-term benefits, not just a flash in the pan. Let us hold this ace in the hole until we have the answer with regard to the Passamaquoddy project because that is the only source in New Brunswick, or in that area that I know of, where a great block of power might be provided. I have great faith in my own province, and I have faith in all the maritime provinces. If we wish to improve our standard of living and create an environment which will induce the young men and women to stay there with us, we must take full advantage of the bountiful resources God has provided for us. If all the citizens of the maritime provinces would place less emphasis on complaining and criticism and give more serious thought to constructive contributions, we might look to the future with a much more enthusiastic attitude. Criticism, as we listen to it here, and complaint without constructive suggestions, will never build a bigger and better maritimes which is the goal we all hope we may be able to achieve.

Mr. Stanley Knowles (Winnipeg North Centre): Members of this group, Mr. Speaker, are earnestly hoping that a settlement of the strike on the Canadian Pacific Railway will be reached today. In fact, we hope it might be reached at any moment, certainly within a few hours. We have felt right from the start that the only reason the strike came about was because the Canadian Pacific Railway insisted on injecting an issue into its negotiations with the firemen which should not have been raised at all, namely an issue relating to the safety of railway operations. I shall have something more to say about that in a moment.

May I at this point add the comment that we believe it has become clear to many more members of the house than was the case at the start, and has become clear to large sections of the public, that it is the intransigence of the management of the Canadian Pacific Railway which was responsible not only for the strike in the first place but is responsible for the delay in its settlement. The proposal the Prime Minister (Mr. St. Laurent) has made to both sides for a temporary agreement similar to that made between the brotherhood and the Canadian National Railways is in line to a large extent with the proposals made earlier by the Canadian Labour Congress and supported by the union. It is also in line with the first proposal that we in this group made in a press release which we gave out on January 8. It is obvious, therefore, Mr. Speaker, that the proposal made by the Prime Minister is not only one that commends itself to this house as reasonable, but it obviously commends itself to the men who are affected. Indeed, a report in this morning's Montreal *Gazette* says that Mr. Jodoin has stated that the Prime Minister's statements and suggestions were very acceptable to the Canadian Labour Congress and to the brotherhood. This seems to make it quite clear to all who may want to look at this matter objectively that it is the management of the Canadian Pacific Railway which is holding out on the very fair proposals made to both sides by the government. Any further continuing of the strike is, therefore, the responsibility of the management of the Canadian Pacific Railway. We hope that there will soon be agreement to the proposal made by the government so that the strike may be settled and the operation of the railway resumed.

I said, Mr. Speaker, that in the view of the members of this group the strike came about only because in the midst of negotiations on wages, working conditions and other matters, the Canadian Pacific sought to introduce an extraneous matter, namely the proposal to do away with firemen on diesel locomotives in yard and freight service regardless of the effect of such a change on the safety of railway operations. We feel that a false picture of this proposed change has been given, largely through the publicity channels of the Canadian Pacific Railways, as to what it meant. The Canadian Pacific Railway has tried to play up the fact that on diesel locomotives there is no need for firing, as such, as used to be the case on steam locomotives. The Canadian Pacific Railway has overlooked the other functions of the person known as fireman on diesel locomotives. Gradually, as this matter has been discussed, and as attention has been paid to it because of the fact a strike was in progress, people are beginning to realize that on modern diesel locomotives with modern lengthy trains travelling at high speeds, there are many other functions to perform that have taken the place of the actual firing that used to be the main task of the fireman.

Not only has the publicity which the C.P.R. has been able to get for its side of the case played up the fact that there is no actual firing necessary on the part of the fireman on a diesel locomotive, but it has played down the safety angle involved. In fact, Mr. Speaker, it seems to me that this attempt to draw attention to the fact that all the C.P.R. is asking for is the elimination of firemen on freight and yard diesels is an attempt to lull the public into a feeling of security in the knowledge that, for the moment at any rate, passenger trains will still have firemen on diesel locomotives. After

all, so far as the public is concerned, for the most part our experience is in travelling on passenger trains, and of course so long as the C.P.R. does not propose to take firemen off diesel locomotives hauling passenger trains the general public could have a certain sense of security.

I suggest there are two points which ought to be taken into consideration in regard to that phase of the matter. One is that the change in the diesel rule which Canadian Pacific Railway is asking for is an over-all blanket change. True, for the moment, the C.P.R. says it intends to take firemen off only yard and freight diesels, but the change in the rule is so comprehensive that it would be possible at any time for the C.P.R., under that new rule, to eliminate firemen from diesels hauling passenger trains as well.

Even apart from the question as to whether or not firemen would be taken off diesels hauling passenger trains, surely the Canadian Pacific Railway, the government, parliament and the public have a responsibility to the employees who operate freight trains. Even if they never take them off passenger diesels, the fact is that we have a responsibility to protect the life and limb of those who are operating freight trains. To us it is a case of a callous disregard of the rights of workers for the Canadian Pacific Railway to assume that in the eyes of the public it is perfectly all right to have less of a safety factor on yard and freight trains than the public would expect to have on passenger trains.

During the negotiations, once this issue was raised, representations, of course, were made as best they could be made by the representatives of the brotherhood. I have had the privilege of looking over some of the evidence that was presented; I have had the privilege of seeing copies of scores of photographs that were shown to the board indicating the difficulties of operating diesel locomotives in yard service. Those photographs which were presented to the conciliation board show instance after instance where the view of the engineer on the right side of a diesel locomotive is completely obstructed so far as the situation on the left side of the train is concerned, to the increase of danger to the employees who have just as much right to protection by the C.P.R., protection by parliament and protection by the public as have passengers who ride on the trains operated by the Canadian Pacific Railway.

There is also the factor, Mr. Speaker, that if you step by step do away with the firemen on diesel locomotives, and if you increase the dieselization of our railways, the day will come when, with present engineers retiring and moving out of the picture, engineers will have to be trained without having had the prior experience of being firemen. I have had both correspondence and conversations with engineers as well as with firemen during the time this matter has been under discussion, and engineers have said to me that they would not want to become engineers without first of all having had the experience of being firemen. It is one thing to train a person as to the actual techniques of operating a modern locomotive; it is another thing to have the experience of being put through as a sort of co-engineer during the years that one is a fireman. Therefore, Mr. Speaker, we feel that this whole safety factor is one that has not been sufficiently publicized during the time this matter has been in dispute. It has not been sufficiently appreciated by the Canadian Pacific Railway; indeed, we think it was not sufficiently appreciated by the conciliation board. In our view, it should not have been thrown into these negotiations at all. If the Canadian Pacific Railway had not come along after the negotiations were started and thrown in this issue I am sure that the other matters that were being negotiated by the parties could have been settled and we would not have had a strike at all.

The day has to come, Mr. Speaker, when an organization such as the Canadian Pacific Railway must realize its responsibility in matters of labour relations. Parliament does its best to regulate labour relations by legislation such as the Industrial Relations and Disputes Investigation Act; but even after the legislation has been passed, even after the best possible legislation has been passed, harmonious labour relations will depend on good will on the part of both sides. This whole story of the relations between the Canadian Pacific Railway and its firemen is an example, in our view, of a high-handed attitude toward labour, of a disregard for the safety factor and a willingness to trifle with the safety of workers and the public in order to try to beat down the wage and other demands of the union. We think the Canadian Pacific Railway must yet learn the lesson that in addition to good labour legislation we need the type of management that recognizes its responsibility to all sections of the public, including its responsibility to the employees who work for a company such as the Canadian Pacific Railway.

Others have already spoken on this matter on behalf of this group, and all of us who speak are expressing the views of all members of this group. In the remarks that have been made it has been pointed out—but perhaps it

should be pointed out again—that the attempt of the Canadian Pacific Railway and particularly the attempt of its president, Mr. N. R. Crump, to rely on the fact that the conciliation board agreed to the elimination of firemen from yard and freight diesels is really not justified. After all, that board consisted of three members. The majority recommendation, signed by two members, was qualified by certain doubts. The third member, Senator Roebuck, made a very strong recommendation, a very strongly worded report, which he submitted to the Minister of Labour (Mr. Gregg), opposing outright the proposal to eliminate firemen from its locomotives. He went so far as to call upon the Canadian Pacific Railway to withdraw its ill-conceived proposal. He said that he was fortified in his position by what had been done by the Canadian National Railways and by what had been done by all the railways in the United States. He also cited his experience as a lawyer when on occasions he had had to defend engineers against charges of manslaughter. On the basis of that experience, he pointed out that it is an extremely onerous responsibility that is placed on engineers, and, in his view, no engineer should be asked to operate any locomotive, passenger, freight or yard, without having a co-engineer, or a fireman, as the second person in the cab.

There has been some discussion about the time when the head trainman rides in the cab, and it has been said that he provides the second person but, as Senator Roebuck and others have pointed out, the responsibilities of the head brakeman or the head trainman are of a totally different nature. He is concerned with the train itself, and the work that he has to do when the train is stopped. His whole responsibility, and his whole training, detract from the possibility of his taking care of the safety factors which the fireman is in a position to assume. Therefore, Mr. Speaker, we feel satisfied the time has come when the public has begun to get a little different picture of this from what was the case at the start. First, it was thought by many just that here was a group of people trying to hold on to their jobs. Any of us who have had connections with trade unions know that the trade union movement accepts and welcomes technological changes. It does its best to protect the rights of workers as changes take place; but to suggest that this is only an attempt to stop progress on the part of the union is to be completely false to the approach of the trade union movement generally. Indeed, the very thing that we are talking about, namely, dieselization has already displaced many other workers, machinists, and so on, across this country. There has not been any strike over that, much as it has done by way of dislocating many people because, in the other instances, the safety factor was not involved, as it is in this situation.

We are glad of one other thing, Mr. Speaker, in this whole story. So far there has been no attempt on the part of the government to repeat the performance of 1950. There have been those who have spoken in this debate who have come pretty close to the suggestion that the government should use its power—I was not sure of what the last speaker had in mind—to get the railways running again, even if it meant forcing the men back to work. We feel that real damage was done to collective bargaining and to labour-management relations on the railways when, in 1950, the government called upon parliament to pass a bill which we opposed, that included compulsory arbitration. To the extent that that has not been done at this time—and I hope the government will stay with its refusal to resort to compulsory arbitration—to that extent some of the damage that was done in 1950 is being undone. As a matter of fact, I think Mr. Crump assumed right from the start he had nothing to worry about, that the government which had put the men back to work by act of parliament in 1950 would do it again, that the government would not permit a railway strike to go on and so all he had to do was take his position, unreasonable as it was, and the government would bail him out.

I am glad the government has not asked parliament to do that and I hope other steps will be taken to reinstate the collective bargaining position that obtained on the railways prior to the strike of 1950. I say again, Mr. Speaker, not only is it necessary to have good labour legislation, not only is it necessary to have the good offices of the Department of Labour to mediate in situations like this, not only is it necessary to have well chosen conciliation boards, but harmonious labour relations depend upon goodwill and good faith on both sides and it is our feeling that the Canadian Pacific Railway management in this whole piece has been oblivious to the rights of the men concerned, has been oblivious to the safety factor not just as it affects the general public but as it affects even a few of its employees. We feel, as Senator Roebuck says, that the whole proposal should be withdrawn and that there should be no further attempt to reduce the safety of railway operation by eliminating

the firemen from locomotives on any operation be it passenger, freight or yard service. That is our position on this important issue.

Mr. Speaker, there are one or two other matters about which I would like to say a few words at this time. First of all, I wish to refer once again to the question of the old age pension. I am delighted that this subject has been mentioned by hon. members who have spoken in this debate in all parts of the house. The tragedy is that it was not mentioned in the speech from the throne.

I am sure, Mr. Speaker, that if it had been possible to take a poll of public opinion prior to the reading of the speech from the throne it would have been pretty generally agreed that that speech would include a forecast of an increase in the old age pension. Certainly last year when the government was under fire during the pipe line debate, under fire not only here but in the press and suffering considerable discredit across the country, there were strong rumours to the effect that one of the ways in which the government would attempt to retrieve its position would be by bringing in improvements in social legislation at this session, one of them to be an increase in the old age pension.

Lo and behold, this year the government apparently thinks it has nothing to worry about, that it has the election in the bag. It may have another think coming. But because it thinks that way the government has brought down a speech from the throne with a few things contained in it that are acceptable and uncontentious but which contains nothing at all that comes to grips with the basic problems facing our people, such as the plight of our senior citizens.

It is well and good, Mr. Speaker, to boast about our buoyant economy and it is fine to talk about the great prosperity that exists in the country but the more our economy is buoyed up and the more prosperous the country is as a whole, the more tragic becomes the position of those who are on fixed incomes and particularly those who are on low fixed incomes.

This figure of $40 a month which is presently being paid under federal legislation both to those in receipt of old age security and those in receipt of old age assistance, as well as to the blind and the totally disabled, was set back in 1949. At that time the gross national production of this country was $16.4 billion a year. Surely, Mr. Speaker, if we have been able to increase our gross national production since 1949 it is only decent and proper that we should give to our old age pensioners an increase in what we pay them proportionate to the increase in our gross national production.

This year the gross national product may be $29 or $30 billion a year. If it is $29 billion that will be an increase of 77 per cent over what it was in 1949. If it is $30 billion that will be an increase of 82 per cent over what it was in 1949. The 77 per cent increase would call for an increase in the old age pension to $70 a month. The 82 per cent increase would call for an increase in the pension to $72 a month.

There was a time when to speak of figures like that for old age pension would have seemed outlandish but what the government does not seem to know is that Canadians generally have moved forward to the position that an old age pension should no longer be just an amount of money to keep a person barely alive but rather that an old age pension should be one of the rights of citizenship, should be one way of enabling our older people who have helped to build up the country to live in dignified and decent retirement and enjoy some of the wealth that the country is then producing because of what they have done.

We need—the country has it, it is the government that needs it—a new concept of the old age pension. The government should realize that it should be not just an existence allowance but rather the right to share in the wealth of the country at any given time. This party at its last national convention held in Winnipeg last August went on record urging that the old age pension be increased to not less than $65 a month and that it be payable without a means test from age 65.

I noticed that one Liberal across the way went out on a limb in expressing the opinion that the old age pension should be increased by $10 to $50 a month. In the light of the increase in our gross national product an increase of $10 a month would surely be very niggardly. We say that in the light of Canada's present increased prosperity and in the light of the suffering and needs of these people the pension should be increased to not less than $65 a month, and that these other figures I have given should be borne in mind for surely all Canadians are entitled to share in our gross national product.

Speaking of the gross national product it seems to be the popular thing today to refer to the Gordon report, preliminary copies of which reached us yesterday. I note in the report that if the conditions the board indicates are met it is expected that by 1980 the gross national product of Canada will reach the figure of $76 billion a year. I think it would not be improper for me to carry forward the percentage figuring I was doing a moment ago. If we do achieve a gross national product of $76 billion a year

by 1980 that will represent an increase of 360 per cent over the $16.4 billion that obtained in 1949. If the old age pension were to be increased in proportion thereto it should be raised by 1980 to $184 a month.

Now I say again to hon. members, do not laugh at this kind of figure just because some hon. members were brought up in the days when the old age pension was $20 a month, barely enough to keep body and soul together. The old age pension has a purpose different from mere existence. Its purpose is to recognize what older people have done for the country and to give them their share of a decent life as we would do in any ordinary decent family.

I recognize, Mr. Speaker, we are going to have to reconsider this whole question. It seems to me that what we need in relation to old age pensions is not only the universal plan we have that pays a flat amount to all our people but in addition to that we need something in the nature of the national industrial pension plan which has been proposed by the Canadian Labour Congress and the sooner we come to grips with this issue at the parliamentary level the better it will be for this country as a whole. There is really not very much in the speech from the throne for this session. I suppose that after the debate on the address is over a couple of weeks would be sufficient to clean up all the legislation set out in the speech from the throne. Maybe that is what the government intends, that we will be here for a couple of weeks and then go home for the election, but there are indications that we are going to stay here until close to Easter.

Therefore I suggest that if the government is not prepared on its own to bring in a substantial increase in the old age pension it should do what was done in 1950 and appoint immediately a special committee of this house to consider the whole question of old age pensions to see if what some of us are saying is not the proper course, namely that the universal pension now paid under old age security should be increased to a figure of $65 a month or more and made payable at age 65 years, and that in addition to that there should be established a comprehensive national industrial pension plan so that all pension plans of workers and others in the country could be integrated on a contributory basis, so the funds invested in that way could be controlled for the good of the country, and so we might look forward to the provision of decent and dignified retirement for our senior citizens instead of the mere pittance that they now have to keep themselves alive.

[Mr. Knowles.]

This issue is one of deep importance. I feel, as do many members of this group, that it is a matter of great regret that the government has shown by its barren speech from the throne that it thinks it has the election won so why disturb it; that they just have to sit back and let things go their own way. They may have to have another thought about that, but even if it were true that the government stands to win the next election, what sort of leadership is it to sit back and do nothing because you are not being pressed by political considerations. If that is what the government wants, if it wants pressure and prodding and the fear of defeat in order to provide action on this issue we will do our best to give that to them because we believe the people of Canada are entitled at this time to a substantial increase in the old age pension that is now paid and that they are entitled at this time to a consideration of this whole question proposed by Mr. Jodoin and the Canadian Labour Congress of a national pension plan which my colleague, the hon. member for Cape Breton South (Mr. Gillis), and others of us have been proposing in this house for many years.

I urge this question of old age pensions as strongly as I can because it seems to me that the lethargy of the government, feeling that it did something back in 1950 and 1951, does not meet the wishes or the thinking of the Canadian people. This concerns not only the senior citizens themselves but younger people who have concern for them and who are thinking about their own futures. They realize that when a country can boast of a $29 billion or $30 billion gross national production, when a country is pictured in the Gordon report as going to have a production of $76 billion by 1980, it is not being decent, it is not being sensible, it is not being humane when it gives such a short end of the stick to our senior citizens.

Not only is the government showing its indifference to the wishes and needs of the people by its failure to act in this field of old age pensions, it is also highly noticeable, as my leader and others have pointed out, that there is no reference in the speech from the throne to the question of health insurance. Hon. members will recall the great fanfare we had last year. Of course the leader of that fanfare is not here at the moment to keep it going but I understand he will be back in a few days. I refer to the Minister of National Health and Welfare (Mr. Martin). A year ago we had a conference attended by the provincial representatives which the minister said was one of the finest conferences they had ever had.

He sat back for a while and then a proposition was made but attached to the proposition was a condition that it would be put into effect only if a substantial majority of the provinces representing a substantial majority of the population of Canada agreed to it.

That meant that there had to be agreement by six provinces, and that either Ontario or Quebec had to be included in those six. We pointed out at the time that the plan, although a step in the right direction, and despite of the shortcomings of its coverage, did not make a sufficiently attractive offer to the provinces to ensure that six would agree. We have had a year and only three, namely the three western provinces, have agreed to the plan. My own province of Manitoba, which has the only Liberal government in the country west of those which border on the Atlantic ocean, has virtually said that it will not have anything to do with the plan. No Liberal government in Canada has shown any interest in it to the point of indicating it would agree. No other governments have come in and it begins to look as though the plan is virtually dead.

I say to the government that if they were acting in good faith a year ago when they were talking about health insurance they should realize that a year having gone by with only three provinces agreeing the time has come when they should review the proposition and improve and revise the offer so that they can get six provinces to agree. In fact, that is what I looked for in the speech from the throne. After all an election is coming and a pre-election speech from the throne usually pays some attention to the wishes and needs of the Canadian people.

Here is a field, like that of old age pensions, where the needs of the Canadian people are very great, particularly so just now when hospital and medical costs are going up and when increases are reflected in increases in the Blue Cross and other medical plan payments. Things are getting to the point where despite our prosperity, of which the government of this country boasts, the basic care of health is something that is being rationed to our people by their purse. We are not getting the full advantage of medical science or of the money being spent on hospital construction and in other ways.

It all awaits a plan to make these things financially possible for the Canadian people. It all awaits a plan of health insurance. We feel that any plan of health insurance should be comprehensive and include not only hospitalization but medical, dental and optical care. It should include sickness benefits when the bread-winner is out of work. That is our objective. Nevertheless, we admit that it is a good thing to get started. On that basis we admit that the proposal made by the government last year for national hospitalization insurance was a step in the right direction.

I am sure that the hon. member for Vancouver South (Mr. Philpott) who is paying me the honour of listening to what I am saying, will agree with me that it is now obvious that the terms of last year's proposal were not attractive enough. A sufficient number of provinces have not agreed. If there is any sincerity and validity to the 38-year old interest in health insurance evinced by the Liberal party that should be indicated now by increasing the offer to the provinces so that six of them will come in and we can get health insurance started.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Knowles: Mr. Speaker, I believe my 40 minutes had just about expired when the house rose for lunch. I had hoped that by this time the government would be in a position to announce the settlement of the strike. No minister has risen in his place to make such an announcement and I assume that the government is not yet ready to do so. I am sure we all hope such an announcement will be made before the house rises at six o'clock. Indeed, if a settlement is not reached very soon on what I might call the basis of the first point in our proposal of the other day, namely, a request to both parties that they resume operations leaving the diesel question to be settled later, the government may have to consider the second point of our proposal, namely taking over the C.P.R. and running it pending a settlement of that issue. Nevertheless, it is our hope that an announcement of a settlement can, as I said before, be made by the government before the house rises at six o'clock tonight.

In conclusion, Mr. Speaker, I wish to say just one further word on the two other subjects which I raised before lunch. It is our view and, we believe it is the opinion of a vast number of Canadian people, that action should be taken by the government at this session of parliament on the old age pension question and on the matter of national health insurance. We believe that the old age pension should be raised substantially now. We believe a national health insurance plan with provision for provincial participation should be put on the statute books now. We

contend, indeed, that if the government fails in its responsibility in these two matters it should be dealt with by the people of Canada at election time giving it the treatment which such an irresponsible government should be given.

Mr. H. M. Batten (Humber-St. George's): Mr. Speaker, may I at the outset join with the others who have preceded me in extending heartiest congratulations to the mover and seconder of the address in reply to the speech from the throne. They have ably discharged their duties with, I am sure, credit to themselves and to the constituencies which they represent.

There are in the speech from the throne a number of items in which I am particularly interested but on this occasion I am going to confine my remarks to just one. May I refer to that section of the speech from the throne which deals with agriculture? It is proposed to recommend in the Senate the establishment of a committee to consider what should be done to make better use of land for agriculture and thus to contribute more effectively to the improvement of agricultural production and the incomes of those connected with it. I would hope that any such committee would take the view that the approach in any region should be made not only with a view to the percentage importance to the national income but also with regard to the value of the industry as a source of employment and to its importance in the economy of the region under study. I say that for this reason: the farm income of Newfoundland would be a very small percentage of the total farm income of all the provinces of Canada and the result is that if we were to approach the problem of agriculture in Newfoundland and to give it only the importance, percentagewise, that it has in the total national economy it would not receive the attention it deserves in the general economy of the province of Newfoundland and, in particular, the importance of the industry to the various regions where agriculture is carried out in Newfoundland.

As everybody knows, Newfoundland is not an agricultural province. We, like other parts of Canada, have our limitations; for example, we have a limitation of climate—our climate may in some respects not be such as to enable us to produce certain agricultural products which are produced in other parts of Canada. Nevertheless the limitation placed upon agriculture in Newfoundland is not such as to prevent, for example, poultry enterprises, livestock farming and root vegetable growing being carried out successfully.

We also have limitations with regard to soil. Our soil is mainly of the mineral variety. It has a high acid content and a low content of organic material. We do have some alluvial soil, found mostly in the areas surrounding the mouths of the rivers, particularly those flowing into the gulf of St. Lawrence. We have no large areas of heavy clay such as are found in some of the other provinces of Canada but there are, nevertheless, considerable areas, usually consisting of small acreages, where farming is being carried out very successfully, and these limitations of climate and soil to which I have referred are not such as would prohibit poultry enterprises, livestock farming and root vegetable farming. I believe the potential is such as to warrant sufficient attention to make it play a more important part in the economy of the province than it has in the past or does now at the present time in its expanded state.

The growth of agriculture in Newfoundland has been very slow. In the early days following colonization, I believe I may say, no encouragement was given to farming; it might even be more correct to say that settlement and the cultivation of the land were actually prohibited. It was not until 1813—over two centuries after the first days of colonization—that permission to lease land for agricultural purposes was granted, and it was only granted then on 30-year leases and on payment of an annual rent. Nine years later these rents were abolished and in 1825 Governor Cochrane, the first resident governor of Newfoundland, gave some impetus to agriculture within the province. However, it was not until 1878 that the government of Newfoundland formally identified itself with the development of agriculture.

There were other factors too which hindered the growth of agriculture in the island. First, the early settlers were fishermen accustomed to the ways of the sea. They were not farmers. Secondly, fishing was a very attractive industry while farming was a very unattractive industry. Lack of roads and large rivers on the coast where most of the settlement took place meant that most of the interior was inaccessible. Thus, for those who came to settle there it was necessary to have as soon as possible a stable export commodity. That stable export commodity could be found in the fishing industry very easily; it was unlikely to be found in the farming industry as it existed in Newfoundland at that time. Fishermen gradually recognized the importance of farming in their own economy and gradually a system of supplementary farming was developed. This means, of course, that attention was

given to the farming industry when the returns from the fishing industry were poor. No attention was given to the farming industry when the returns from the fishing industry were good. The history of supplementary farming has been that it is not a very consistent effort. In more recent times the development of other industries within the province has taken labour from not only the farming industry but also the fishing industry.

In the report of the royal commission on farming published in 1955 it is pointed out on page 29 that in 1921 there were 38,206 people engaged in some form of farming but only 3,227 of those were full-time farmers. In 1935 there were 39,808 people engaged in farming but only 4,226 were engaged in farming as a full-time occupation. In 1945 35,574 people were engaged in cultivating the land but only 2,809 of those could be considered as full-time farmers.

Since 1949 there has been a very marked and pronounced expansion in some types of farming and particularly in the poultry enterprise. I would say there are many reasons for this. One would be first of all the small amount of land required by this particular industry. Second, there was the growth of larger areas which served as markets for the produce from the poultry enterprise. Third, there was the improvement in the general welfare which enabled people to buy the produce of the poultry industry.

But one thing that had a very great effect upon the development of the poultry enterprise in Newfoundland was the feed grain freight assistance policy initiated by this government in 1941. If I may digress for a moment, Mr. Speaker, over the last few years we have experienced successive increases in freight rates and these successive increases in freight rates are beginning to be felt very keenly both in the commercial and industrial life in Newfoundland. We, because we live on the fringe of this great country, have a long haul, and when there is an increase in freight rate based percentagewise it means that because we have a longer haul and therefore a larger amount of freight to be paid the people of Newfoundland will pay a higher increase than anybody else east of Ottawa.

On the other hand, we do not, for example, have the road systems and the trucking concerns that would enable us to offer any alternative to the present carriers now operating in Newfoundland which are, of course, the C.N.R. operating their rail line from Port aux Basques to St. John's and also operating the steamship services around the coast of Newfoundland. We have no alternative to these carriers and therefore whatever increase there happens to be in freight rates we just have to pay the shot.

I should like for a moment to look at the freight rates from, for example, the lakehead to one or two rail points in Newfoundland, and I take this particular route because I want to return to feed grains. Before January 30, 1956, a hundred-weight of freight shipped from the lakehead to Toronto cost 55 cents. On January 1 of this year, owing to the increase amounting to 11 per cent, people in Toronto are now paying 61 cents or an increase of 6 cents. This, as I said before, results from the 7 per cent increase authorized on June 18, 1956 by the board of transport commissioners which came into effect on July 3, and also by reason of the authority given by the board to the railways on December 17 for a further increase of 4 per cent, thus bringing freight rates to a level 11 per cent above those which prevailed on June 30, 1956. As a result of this, as I have just said, there is an increase of 6 cents per hundredweight or $1.20 per ton from the lakehead to Toronto.

Coming down to Corner Brook, Newfoundland, the increase is from $1.17 to $1.30 per hundredweight or 13 cents. Per ton the increase is from $23.40 to $26, or an increase of $2.60. In other words, the increase in the freight rate for a ton of freight from the lakehead to Corner Brook, Newfoundland, is three times as much as the increase in the case of the province of Ontario or near rail points in the province of Quebec.

These increases in freight rates become more significant when we are dealing with commodities which have been given some freight assistance as in the case of feed grains, for then the consignee must not only pay the increase in the freight rates based upon the freight but must also pay the increase based upon the percentage of the assistance. Let me give an example of exactly what I mean. Because of the feed grain freight assistance policy of the Department of Agriculture, all the maritime provinces, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland, prior to June 30, 1956 received feed grains at a freight rate of $5 per ton to the consignee. The difference between the $5 and the actual cost of the freight was made up by this assistance policy.

But now with an 11 percent increase in the freight rate the freight rate on a ton of feed from the lakehead to Corner Brook, for example, has now been increased by $2.60 which means that we are now paying $7.60 where previously we paid $5. In other words, Mr. Speaker, the increase of 11 per

cent in the freight rate has resulted in a 52 per cent increase in the actual freight paid by the consignee in Corner Brook. If we go farther along and take the town of St. John's we find that the recent increase of 11 per cent in freight rates has resulted in an actual increase to the consignee of 64 per cent.

I should like to say at this time that these feed grains are very important to Newfoundland not only in the poultry enterprise but also in the livestock industry and the lumber industry. May I respectfully suggest to the Minister of Agriculture (Mr. Gardiner) at this time that consideration be given to some form of corrective adjustment so that the inequalities now existing will not retard expansion in the industries concerned and so that they may continue to enjoy the advantages which they have received as a result of this policy.

Mr. G. C. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, as usual at the commencement of a new speech in this debate one pays tribute to the mover (Mr. Hanna) and the seconder (Mr. Robichaud) of the address in reply to the speech from the throne. Such tributes may sometimes be conventional but they are usually and almost always sincere. They certainly are in this case because I am sure the two hon. gentlemen who moved and seconded the address in this debate acquitted themselves with distinction and deserve the congratulations of all members of the house.

This has been a rather unique session. In the few short days that we have been here, overhanging the atmosphere of the house, of course, has been the paramount national question of the settlement of the railway strike. In addition, we have seen certain historical events moving before us. We have seen the resignation as a member of this house of the leader of the political party to which I belong, one who I am sure all members will agree has served this house and his country with distinction, and the house is the poorer because of his resignation.

We have also read of the resignation of the prime minister of the United Kingdom. Within the last 48 hours we have seen unveiled here a memorial to a former Conservative leader, a former prime minister of this country. Hence, in the few short hours in which we have been sitting here much of political history has been enacted or dramatized before our eyes. Personally, I am extremely happy to have seen this memorial unveiled. It is something which I had advocated for some years in the past as, shall I say, the political descendant of the gentleman in question. In the days in which he represented a Nova Scotia constituency redistribution had not taken the toll of the constituency which it since has taken and he was the member for Kings county which is part of my own constituency today.

I am sure all the people of Nova Scotia, particularly those of that county, appreciate the tributes which were paid to his memory and the memorial which has been erected to him on the grounds of this parliament building, where the services which he rendered to this country with such great distinction will be memorialized and, we trust, perpetuated, subject to atomic bombs, at least within the memory and the lifetime of any of us who are now serving in parliament or have any connection with the government of Canada.

As I said a moment ago, the one matter which is uppermost in our minds is the question of the strike. If it were not for that matter I do not think I would have trespassed on the time of the house on this occasion. There are many things which one could discuss. Perhaps it is rather discouraging, Mr. Speaker, when one goes back to the speeches that one has made on a similar occasion during the last six or seven years, to find how many matters one has suggested and to note that some of those problems are still before us.

However, as the hon. member for Winnipeg North Centre (Mr. Knowles) has stated, we are all hopeful that the strike will be settled within the next few hours. We have been waiting in anticipation of an announcement to that effect. The hon. member suggested that there was a great deal of intransigence on one side, namely, on the side of the management of the C.P.R. Naturally, we would not expect him to attribute any intransigence to the firemen. I think one can say quite fairly that his speech was, to a large extent, an apologia for the firemen's union or brotherhood. I have had the privilege and the pleasure of knowing many of those members personally. I come from a constituency which is served entirely by a wholly-owned subsidiary of the C.P.R. I know many of those firemen. No finer citizens live in this country than the firemen in the employment of the Dominion Atlantic Railway and, I presume, generally in the employment of the C.P.R. We know that they are not the type who would wilfully promote trouble or wilfully attempt to wreck the economy of this country. Yet there is at stake a larger issue than that. We have that constituency today,

as I said, which is wholly served by this C.P.R. subsidiary, with the exception of one station, completely tied up, with not a wheel moving on the railroads except in the town of Middleton where a branch of the Canadian National runs from the constituency of the Minister of Public Works (Mr. Winters) right across into the valley and possibly as a last resort fuel and supplies could be brought in there to avert a disaster.

But at the moment we are dependent to a substantial extent on the apple industry. Having harvested the apple crop, having had it packed, having had negotiations with the government of Great Britain, many of our shipments having been made to Great Britain but many to be made in January and February and that is the situation now. We have tens of thousands of boxes of apples headed to the British market which we cannot move. I can understand the complaints, the worries of our friends from the west where a similar situation confronts the wheat grower; but at least wheat will keep. Under the aegis of this government they have had to keep the wheat for a long while now and they will probably have to keep it for a while longer yet. But you cannot keep apples indefinitely. Steamship space has been bought. Steamers have been coming into Halifax with space booked which we could not fill.

You cannot truck those apples because, with subzero temperatures, it is impossible to transport them in that way at this time of year. They must go in reefer cars. The reefer cars are immobilized. The whole fruit industry of the valley is affected, I was going to say, but of course not all of it is affected because substantial marketings were made in October, November and December. However, a substantial part of it is now completely tied up. If these apples cannot be moved within the next few days the fruit industry will suffer as bad a blow as it suffered last year because of the glut, when the market went completely to pieces and apples could not be sold. Hence our people down there feel that this government must exercise leadership in this matter and must achieve a solution and do so rapidly.

If my friend the hon. member for Winnipeg North Centre is correct when he says there is intransigence on the one side, may I say in parenthesis that I have been involved in litigation and in disputes for a period of thirty years and I have never seen any one side have a monopoly on intransigence. Usually it is divided between the two sides to a certain extent. But if there is intransigence it is the duty of this government to solve the problem and to deal with it and not to wait idly by piously hoping that something will happen whereby it will be unnecessary to take any action whatsoever.

I was brought up in a pioneering economy. I was born away out in the rural area of Digby county. As a little boy I used to go out to the sugar grove with my mother where they were boiling maple sap and making it into maple sugar. I remember her instructing me as to how it should be done. You had to get the syrup to a certain temperature. You had to get it hot enough and yet you had to have the snow cold enough so that when you brought the two together you could get a fusion of some kind and thereby you could manufacture maple sugar. I sometimes think this government has been waiting idly by, hoping that the temperature would get hot enough on the outside with public opinion and yet get cold enough on the inside so that by simply standing by and waiting they may jell something into maple syrup or maple sugar and thereby achieve settlement of the strike. That, Mr. Speaker, is not national leadership.

At least in so far as the part of the country from which I come is concerned, I could bring to this house and could read them to you, if you would permit me to do so, a stack of telegrams—forty or fifty of them—from boards of trade, mayors of towns, gentlemen who are well known to the Minister of Public Works, all saying one thing. They did not say what the hon. member for Charlotte read. Apparently they have more confidence in him as a member than my constituents have in me because he told us this morning that the telegrams told him to do something. My telegrams said: Tell the government to do something; we want the government to do something and that is what we need. If the prognostications are correct, and if within the next few hours a settlement can be negotiated, well and good. But if it cannot be negotiated, the economy of this country, at least that of the part of the country from which I come, will be injured. I have spoken particularly of the apple industry and the same thing could be said of the scallop fishermen. This is their season. This is the season in which scallops are being brought ashore every day. What can they do with them? Under normal circumstances they could perhaps run them across the bay of Fundy in their boats and ship them from Saint John. But as the hon. member for Saint John-Albert (Mr. Bell) pointed out yesterday, Saint John is tied up. If they are going to ship them out of there, they have got to send them on ships to Saint John, Moncton and around a circuitous

route into the markets of New England, Quebec or Ontario. The whole industry of that area has been brought to a full stop. The gypsum plant just outside my constituency had 800 men laid off because gypsum is moved by rail to the shipping point and there is no rail transportation. One could go on and on. I know this is the common story in many constituencies in this country, but I think perhaps we are harder hit because of our dependence upon this one railroad.

Wherever the fault may be, I have found the management of that company has always been considerate and has been desirous of serving the public interest. I know, too, that the employees are amongst the better citizens we have in this country. You cannot tell me, sir, that with action, with leadership, and if necessary some pressure, you could not achieve a result whereby this railroad could be put back into operation in the very near future. If it is not, then we are going to suffer an economic blow which will have repercussions for many years to come, and certainly it is going to have repercussions in the political field within the next few months.

In the particular area from which I come—perhaps that is why we are more impatient in these matters—for weeks and months last summer and last fall we suffered a strike tying up the steamship system of the C.P.R. Wherever the intransigence may be now, there was no intransigence on the part of management in connection with that strike. Management was ready and willing at all times to start operation of that ship, but it could not be done. We have suffered two of these economic blows within the last nine months. In both of these cases it is felt that the government of this country has not given the leadership and the direction which is required. The people are asking for it, and I am urging it now. I say that the time has come when you had better stop waiting for the maple syrup to jell. You have to do some stirring yourself and not wait for the pot to boil over naturally as this government has been doing for the last eight or nine days. The sands have run out of the hourglass in so far as that thing is concerned.

Speaking of transportation, Mr. Speaker, I am reminded of another matter that the hon. member for Humber-St. George's (Mr. Batten) was discussing a few moments ago, the feed grain subvention policy of this government and the effect of freight rates upon that. I subscribe to all that he said. I have urged for years that this government make a permanent part of its policy the maintenance of the freight rate subvention on the movement of feed grains. Even up to today our farmers do not know from one six-months period to another whether or not that is going to be maintained or be discontinued. Surely, the time has come when it should be made a permanent part of our economy. It should be written into the statutes. We should not be dependent upon the Minister of Agriculture (Mr. Gardiner) bringing into his main estimates a vote for the first six months of the year and then having to wait for the supplementary estimates at the end of the year to find out whether or not we are going to pay for what went on from July to the end of the year. The party to which I belong, in a convention the other day, passed as one of its planks a resolution to the effect this policy should be made a permanent part of our economy.

I raise this matter in connection with the hon. member for Humber-St. George's for another reason and that is that we have before us today this preliminary report of the royal commission on Canada's economic prospects. In this report there is a reference to the Maritime Freight Rates Act. I am reading from page 101 where at the bottom of the page we find this:

> The commission suggests that this should be the subject of a special inquiry which should also include in its terms of reference a re-examination of the present effects of the Maritime Freight Rates Act.

One does not have to stress this matter of freight rates in this chamber, and certainly those of us from the maritime provinces do not have to do it. I believe I have spoken on this subject on every occasion on the address in reply to the speech from the throne since I first came into this house in 1949. Up to the present time, nothing has been done with respect to this matter. During recent months the Prime Minister (Mr. St. Laurent) has said, I am waiting for recommendations from the premiers of the maritime provinces. When they make specific recommendations, we will be prepared to deal with them. Personally I think, not speaking critically, that is evasive action. You have four premiers, and if they cannot agree then the Prime Minister can say we will wait until you get unanimity. Along comes an election and you can always be waiting for reports from the premier; then you get by that election and you do not have to worry any more about the matter for four years. This matter has been treated in that way. The government has said, we are waiting for specific recommendations and when we get them we are prepared to deal with them.

The premier of New Brunswick has made a specific recommendation, and that is that the maritime freight rates be considered and

that the act be redrafted and brought up to date. The former premier of Nova Scotia, Mr. Hicks, urged the same thing. He came up in July to see the Prime Minister about this, or so he said during the election and I have no reason to doubt that he did. The Prime Minister said that of course we have to wait until we get the report of the Gordon commission. Now, you have got it. The present premier of Nova Scotia has made the same recommendation. I have urged it year in and year out in this house. The hon. member for Saint John-Albert (Mr. Bell) and every other maritime member of the House of Commons, regardless of his party, has urged it. Now, you have this report. Let us not have any more delay on the subject of these maritime freight rates. The time for excuses has gone by in so far as this government is concerned. They have to take action with respect to it.

You know the story of the Maritime Freight Rates Act, which was passed thirty years ago. Why was it passed? It was passed because the situation in the maritimes with respect to freight rates was so serious, so disastrous, the government of the day said something had to be done about it. They appointed a commission which made an investigation and as a result we have the act. Naturally, it did not remove all the difficulties. One cannot expect legislation to do that, but it was of material assistance to the economy of the maritime provinces. As the years have gone by, with increasing horizontal freight rate adjustments, with all the incidence of truck transportation and the rest of it every benefit—at least let us say this, Mr. Speaker, 98 per cent of benefits we receive from the Maritime Freight Rates Act have been wiped out. This situation has been in existence for some years and has been aggravated by the recent increases, as I have said. We have urged that some action be taken. We have been referred to the premiers; we have been referred to the Gordon commission; we have been told to wait and see, as Asquith said in Britain many years ago, and you know what happened to Mr. Asquith, Mr. Speaker. The time for waiting and seeing has gone by. You have definite recommendations from this commission that the Maritime Freight Rates Act be dealt with and that it is vital to our economy that that be done. I do not think it involves even the appointment of a royal commission.

We in the maritime provinces have the maritime transportation commission, financed by the provincial governments and employing experts, men who know their work and know the problems. The Minister of Transport (Mr. Marler) has expert officials in his department. I have not any doubt if these two groups got together for a period of two weeks or ten days, no longer than it has taken us to settle the strike, if it is settled, these parties could agree on the terms of a bill which would, in large measure, restore the economy of the maritime provinces in so far as it is affected and prejudiced by freight rates. I urge this government to do that, and do it now, not wait until after the elections or wait and see what the premiers of those provinces may do. Let us get action on it and get action in the very near future.

Now, so much for matters in which I urge action. Perhaps in fairness one should comment on this as well. I have been very happy during the last few weeks to see the Minister of Transport has inaugurated a system whereby he is imposing lower rates on truck transportation on the motor vessel *Bluenose* crossing from Yarmouth to Bar Harbor. I have been urging this for the last two years, and I am glad to see that the government has brought that into effect. I hope that the results which will be achieved by that will be such as to encourage the government to carry on that practice in the future. I am glad to see that the Prime Minister noted the recommendation made in this house with respect to university grants. Although it is only an approach to the problem, although as we all realize much more must be done, it is a start. I think the problem of the universities, like the problem of the maritime provinces, is one which is going to be before this house for many years to come. These problems have to be solved, but at least the government in making the grants available direct to the universities—I am not speaking now of the capital grants but the reallocation of the per capita grant per student—will have gone a considerable distance in alleviating the discrimination from which the maritime universities have suffered under the inflexible system which was in effect before. I commend the government for that. As I said, it is only a beginning in the right direction.

The other day the Prime Minister spoke of his conversation with the president of the United States when he had the humpty-dumpty ride over the golf course, the rickshaw ride, and he told us of the progress which was made with respect to fisheries, and that the president of the United States had decided not to impose a tariff on Canadian fish. I wish he would tell us now of his conversation with the president, or whether he had a conversation, with respect to the 12-mile limit and the recommendation which our government has made. We on this side of the house

have urged in the eight years that I have been in the house that the 12-mile limit be extended for the benefit of the fishermen. We know that representations have been made through the United Nations; we know we need the support of the United States if it is to be carried into effect. The Minister of Fisheries (Mr. Sinclair intimated when his estimates were before the house last spring that he was a little bit doubtful as to the support that the proposal might get from the government of the United States, and I had hoped that the Prime Minister would be able to tell us that he also had time when he was getting on and off that go-cart during the day to talk to the president of the United States about the 12-mile limit, and that we can be told before this session is over that we can have legislation with respect to it, and that the matter will be settled once and for all.

Although the speech from the throne makes reference to some assistance to fishermen—and that is necessary—I can tell you, Mr. Speaker, that on the east coast at least, and it is the only coast I know, there is no assistance that is more material to our inshore fishermen that can possibly be given than the inauguration of the 12-mile limit. Time for action has come with respect to this matter. The hon. member for Charlotte (Mr. Stuart) this morning talked about the Passamaquoddy and said that he had urged the development of the Passamaquoddy. No doubt he has. What has the government done about it? He said it was the solution of our problems. We have talked about the Passamaquoddy in this House of Commons, Mr. Speaker. It was talked about 50 years before I came here and I fear that it will be talked about for another 50 years. In the maritimes we want some action. You can have pious platitudes; you can have the laying on of hands and the kissing of children; you can have all of these things for a long while, but in the end you need to get something done. In the maritimes we have had too many pious platitudes and too little action. The time has come when we must get action in that respect.

Since I speak of the maritimes, Mr. Speaker, I want to refer to a doleful report. This report refers euphemistically to the Atlantic provinces. Those from the Atlantic provinces who read this report, Mr. Speaker, will thank God that it came after Christmas rather than before because if it had come before Christmas it certainly would have spoiled the Christmas atmosphere and their appetites for Christmas dinner. What is the solution of the problems of the maritime provinces as foreseen by this report? They refer to the difficulties and they say:

> But despite these qualifications, the fact remains that living standards are lower in the Atlantic provinces than they are in the rest of Canada, and that it is in everyone's interest to reduce this differential if it is at all possible to do so.

Did you ever see a greater atmosphere of resignation or discouragement, Mr. Speaker? "If it is possible to do so" we are going to do something for these poor people down there to raise their standard of living and, if we cannot, what do they say, Mr. Speaker? They say:

> If it should turn out that there is not the necessary combination of resources in sufficient quantities to permit a substantial rise in living standards in the Atlantic region, generous assistance should be given to those people who might wish to move to other parts of Canada where there may be greater opportunities.

In other words, we are going to have our travelling expenses paid, Mr. Speaker, out of the maritimes and be sent to some other place where we can settle down to greater opportunities. At least they are going to treat us as well as the Hungarians have been treated in getting us out of the maritime provinces. I point out, Mr. Speaker, that that would have a disastrous effect upon the rest of Canada. Where has Canada got its leadership throughout the years but from the maritime provinces where they have come for the heads of churches, state, banks and universities. If you move us out of the maritime provinces—

An hon. Member: What about the west?

Mr. Nowlan: Of course, in the meantime, we created the west and provided for the Diefenbakers and a few more. We started it. If you move us out of the maritimes, where are you going to get the men through whom the rest of Canada can develop? If for no other reason than that, you have to find a better solution of the problem.

I am told there are 65,000 words in the report, and of that number there are about 12½ words of comfort for the maritime provinces. This is what we have been waiting for; this is the economic bible for which we have been waiting for years. Let us stop waiting; let us get some action. As I said, there is one solution suggested here. Dozens of other recommendations can be made and will be made during this session, Mr. Speaker.

I started to speak very briefly with respect to freight rates. The other afternoon I got the impression when the Prime Minister was taking his buggy ride and looking at the clock that he was waiting for four-thirty o'clock; that he was waiting for the zero hour, when he would announce that the strike

was settled. We received the impression that he was stalling in order to make the announcement. Probably we were over optimistic. I am not going to stall any longer. I cannot make the announcement. The announcement has to come from the other side of the house. They are probably working on it now. I say, if we get the announcement, well and good. If not, this government has got to give leadership and see that the matter is resolved within the next few hours.

(*Translation*):

Mr. Arthur Masse (Kamouraska): Mr. Speaker, in rising to take part in the debate on the address, I have to inform my colleagues that I shall not delay the passing of the address, but as the speech from the throne contains a paragraph on agriculture, and as my county consists almost entirely of farmers, it is my duty to thank, and to give credit to, the government for its position with regard to them.

May I first be permitted to tender my congratulations to the mover (Mr. Hanna) and seconder (Mr. Robichaud) of the address in reply to the speech from the throne.

Ever since I have had the honour to represent the county of Kamouraska in this house, I have heard only criticism from the members opposite, or from the opposing parties. Yet, this government has been in power for more than twenty-one years and, if there is any truth in the saying *vox populi vox dei,* I believe the government still enjoys the confidence of the majority of our people.

I am not one of those who believe that everything is perfect in the administration of a country such as ours, but rather one of those who know that little mistakes will happen here and there. I am convinced that those who have been entrusted with the management of Canada have given of their best for the good of this country.

Today, I would like to give an outline, as accurate as possible, of the conditions in which the farmers of my constituency find themselves. They realize the merits of the efforts made by the government of this country to improve their condition through the enactment of such legislation as price support, subsidy on the transportation of feed grain and subsidies paid to farmers.

However the price of fertilizers bears no relation to the return our farmers get on certain products. In some parts of my constituency, agriculture alone does not provide sufficient income to enable a man to support his family and give his children an adequate education. Until now, the wood-lot has provided the needed supplement to agriculture to cover the purchase of mechanized farm equipment.

To prove that all is not so bad in the field of agriculture, I shall quote figures taken from a book entitled "Taxation Statistics", published by the Department of National Revenue, Income Tax Division. Here are the figures:

Report	Year	Farmers Paying Income Tax
1952	1950	360
1953	1951	430
1954	1952	520
1955	1953	750
1956	1954	860

The number of farmers paying income tax may seem small compared to those of other provinces but I do want to put on record a few figures showing the average income of the farmers of my constituency, particularly those who carry on farming operations as a family undertaking. The figures I shall quote are based on the average for 31 farmers who take part in agricultural contests and who keep books in perfect order. However the average applies to only 27 of them, data for the four others being incomplete. The income of each of these 27 farmers amounts to $1,454.15 in cash and $501.70 from products derived from the farm, making a total of $1,955.85.

These farmers are not necessarily those in the highest or lowest income brackets, but they make up a group fairly representative of the present situation.

These farms average 76 arpents in area and most of them are located in the estuary of the St. Lawrence. Some distance away from this plateau whose soil is rather rich, are the higher lands where the soil is poor. In that area the figures I have just mentioned should be reduced by 20 or 40 per cent. The revenue which I have just quoted is made up of family earnings, including the work of the mother and children.

It is therefore not surprising that the residents of our rural areas emigrate to the city where salaries are higher and hours of work shorter. On the other hand it is comforting to note that the Canadian government wishes to improve matters.

Here is what is said about this matter in the speech from the throne, I quote:

> It is proposed to recommend in the Senate the establishment of a committee to consider what should be done to make better use of land for agriculture and thus to contribute more effectively to the improvement of agricultural production and the incomes of those engaged in it.

I would also like to read an article published by the Quebec *Evénement-Journal* of November 21, 1956. In this article may be found words said by the Prime Minister (Mr. St. Laurent) at the Toronto Catholic social life conference. He said, with regard to the state of farms in Eastern Quebec:

I say that should not be continued because we are blessed by Providence in this country with such great and valuable resources that any man's consistent arduous work could and should provide him with adequate returns . . .

I am convinced that some of the land in Eastern Canada that hard working Canadians are trying to use as farms should go back to forest and water conservation uses and those attempting to live on them resettled in more rewarding surroundings.

I therefore suggest that it should be the urgent business of all levels of government as well as private enterprise, both individual and co-operative to see to it that agricultural production keeps up with our increase in population and thus provides the farming population with a fair share of the national income.

Two days later, the newspaper *Le Soleil* gave a more elaborate account of the Prime Minister's conference and added:

Under this scheme, the federal government would share with the provinces the cost of programs of irrigation, of soil conservation, of land clearing and of the settlement of farmers living on submarginal lands.

A little further on, the article added:

Mr. St. Laurent stated his conviction that a certain proportion of eastern lands which Canadians have attempted to farm should be reforested or used in water conservation projects. People who are trying to make a living on those farms, he added, should seek work in industries where their efforts would be more adequately rewarded.

For my part, I have repeatedly brought up this matter in the house, as I consider it of utmost importance for our farmers whose revenue would be inadequate if they could not make up for their agricultural deficits with income from their wood-lots. In my opinion, governments should seek the improvement of wood-lots.

There can be no doubt about the fact that our farmers' income is inadequate considering the amount of work they have to do. Up to now, the money required to wipe out agricultural deficits has come from wood-lots. Here is exactly what I said in this house on March 2, 1950, page 417 of *Hansard*. Speaking about the agricultural organizations of my constituency and more particularly about the experimental farm at Ste. Anne de la Pocatière, I said:

It seems to me that some wood lots should be added to the federal experimental farm and subjected to continuous study, in order that the forests which are adjuncts of the farms in my constituency, may be taken care of by our governments in the same way as agriculture.

Then I added:

May I make a recommendation? Federal and provincial authorities should co-operate in bringing wood lots under a forestry program so that all profitable wood lots may be used economically.

Also on January 13, 1955, I had this to say in this house:

To realize how much our forests contribute to agriculture in the lower Quebec area, one need only read publication No. 890 of the federal Department of Agriculture. This pamphlet deals with wood lots on Ontario farms and, at page 22, it is indicated that on the 162 farms which were thoroughly investigated, production reached a total value of $516 per farm.

That is an indisputable proof that lumbering plays a capital role together with agriculture in regions such as ours, where forests cover about 75 per cent of the land, only 22 per cent being suitable for cultivation.

Those experiments have been conducted in the province of Ontario with the co-operation of the federal Department of Agriculture and of the Ontario government. I hope similar experiments will be undertaken in my province to show how necessary it is to complement farming through the use of a wood lot in most regions.

Mr. Speaker, our farms in eastern Quebec need the shelter of wind-breaks. Our steep slopes should be reforested against disastrous gullying and erosion. Trees are also needed to prevent water from running too fast down steep slopes which separate the various high lands. Could not the government of Canada supply the experimental farm of Ste. Anne de la Pocatière with facilities for innovating in this field, because experimentation is not a matter for private enterprise but for governments, through their institutions, and our experimental farms are the sources of new achievements.

There is no better teaching than that acquired by looking at nature with our own eyes. Life is but the experience of others.

The establishment of a Senate committee to consider ways and means of making better use of land in eastern Quebec is an appropriate and courageous initiative on the part of the Prime Minister of Canada.

There is no doubt that certain areas should never have been farmed, for they could have yielded a higher return if they had been put to some other use.

A study of the development of agriculture in the lower St. Lawrence area indicates that the land was first cleared on the lower plateaux near the river, and then, with the increase in population, it was thought, with no idea of doing the wrong thing, that certain districts should be opened up which should have been left as they were or kept as wood lots. And conditions were made more difficult when parishes were founded and when certain institutions had been in existence for a long time. That is why I admire the spirited approach of the Canadian government in putting forward a program such as this.

Let us also keep in mind that a small bare rock on a farm presents a deplorable aspect to the traveller. On the other hand, a clump of variegated trees offers that same thirsty traveller a resting-place and brings revenue to the landowner.

It was I believe a prime minister of Canada, Sir Wilfrid Laurier, who said: "the heart

of a nation is in the depth of its forests; a people without forests is a dying people." I believe that the initiative rests with the Prime Minister of Canada to implement Sir Wilfrid Laurier's words and to give back to the forests the parts which were removed from them temporarily.

That is why we should seek to improve the conditions of lumber production on the Quebec farms, specially because the forest protects the tillable land, regulates the flow of rivers and constitutes a water reserve in times of drought.

In the early days of the colony, the tree was an enemy because room had to be made for the vigorous pioneers. Today, when a tree is felled, two other trees should be planted to restore the balance between forests and tillable land.

I hope that the committee to be set by the government will succeed in drawing people's attention to this matter so that the responsibilities of each and everyone of us may be well distributed.

Mr. Speaker, I trust I may be allowed to say a few words on behalf of our large families, with regard to income tax. If we look at the exemption allowed a childless married couple, we see that both are entitled to one thousand dollars. A man and a woman with one child aged less than sixteen years are entitled to an exemption of $2,150, to which we must add family allowance, that is $80 to obtain a total of $2,230, that is $743 per person. A man and woman with ten children aged less than sixteen years enjoy an exemption of $3,500. The family allowance being added to this figure, we obtain the total sum of $4,460, that is $372 per person.

It seems to me that departmental experts should look into the matter in order to protect our large families. Care and education generally require large sums of money. I respectfully submit these comments to the attention of the hon. Minister of National Revenue and the hon. Minister of Finance.

The few remarks I made were not intended as a criticism, but rather as a loyal service to those who asked me to represent them in this house and to all our fellow-citizens.

(*Text*):

Mr. E. G. Hansell (Macleod): Mr. Speaker, I rise to say a few words, and at the commencement of my speech I intend to follow the tradition of offering congratulations. While we may not always agree with the material contained in the speeches given by the mover (Mr. Hanna) and the seconder (Mr. Robichaud) of the address, yet we do congratulate them upon having been the ones chosen by the government party to move and second what we consider as His Excellency's most gracious speech.

I wish also at this time to congratulate the hon. member for Prince Albert (Mr. Diefenbaker) upon his election to the leadership of his party. I of course had no summons from the party, so I was not a registered delegate at their recent conference; but in quite a real sense I was there because we live now in a day when conventions can be brought right into our homes through the medium of television and radio. I sat and listened to part of the proceedings of that convention. Of course it was at first debatable who might get the leadership of the Conservative party, and the reason I am mentioning this is that one does not sit in this house for as long as some of us have, especially if we hold some little responsibility in the parties to which we belong, without being interested in any progress that might be made or any changes that might be made in the other political parties in the country.

I was, therefore, naturally interested as to who might lead the Conservative party. My opinion all along was that the hon. member for Prince Albert would be that gentleman. As I listened to the radio and as I viewed part of the convention by means of television I could not help but feel that there was a good deal of showmanship in respect to the convention; that it was, in reality, quite a circus. That is quite natural, I suppose. Whether or not the results of the convention will accomplish very much for Canada still remains to be seen. I remember reading an article in connection with that convention the title of which rather fascinated me. It was, "The Conservatives Whoop it Up—Tories Let Down Their Hair at Leadership Meeting." This, Mr. Speaker was from the Calgary *Herald*, which has always been a Conservative paper. The article told how the Conservative supporters rallied round Mr. Diefenbaker, and here is a paragraph which I would like to read because it does show that a certain showmanship is characteristic of these functions. They would not, of course, be interesting if there were not some element of that kind present. The article reads:

> Led by a group of troubadours providing an accompaniment of accordion music Mr. Diefenbaker's supporters marched into the hall singing the Diefenbaker song to the tune of "Coming Through the Rye". This is the way it went:
>
> Diefenbaker, Diefenbaker, Diefenbaker, yea,
> He will lead us on to victory on election day.

Mr. Fulton: Hear, hear.

Mr. Hansell:

> John's the man who'll get them swinging, swinging back our way,
> It's Diefenbaker, Diefenbaker, Diefenbaker, yea.

An hon. Member: You should sing it.

Mr. Hansell: I congratulate the hon. gentleman on his election. He is a good man; he is an honest man; he is a man, I think, of undisputed integrity. We would all agree that he is a man of some considerable ability in his profession and that he is also a man of some considerable ability in this house, but I wish to repeat what the hon. member for Lethbridge (Mr. Blackmore) said yesterday. He is, in reality, in a most unenviable position.

I have sometimes said that one of the easiest ways to destroy a political leader is to make him leader of the official opposition. Some of us have sat here a good many years; some of us in this corner of the house are now in our twenty-second year. We have watched leaders come and we have watched them go by the process of destruction. We sat here during part of the leadership of Right Hon. R. B. Bennett, perhaps one of the most capable parliamentarians who ever came to the House of Commons in Canada. He is gone. He resigned the party leadership. He was followed by another capable man, a very respected man, Hon. Mr. Manion, who was defeated at the polls. Mr. Manion was followed, not in the party leadership but in the house leadership by another capable man, Mr. Hanson, and Mr. Hanson was followed in turn by a further very capable man, Mr. Graydon. Both led the party in this house, but the party was leaderless as far as a national leader was concerned, and they searched the four corners of the earth to find a man who could lead the Conservatives back to victory.

The lot fell upon another very able and hon. gentleman, Mr. Bracken by name, who had been Premier of Manitoba for many years. He came to the party with one proviso, that they should put the word "Progressive" in front of their name. He came into this house with high hopes of steering the party through to victory in an election, but eventually he resigned. They searched the four quarters of the earth again for someone who was honourable and capable enough to lead them back to a glorious victory. This time they chose none other than the gentleman who had been the premier of the province of Ontario, Mr. Drew. He came into this house with high hopes, and he contributed considerably to the value of debate. But Mr. Drew also went the way of all Conservative flesh and eventually had to resign.

I say once again that we who have sat in this corner of the house have seen six house leaders come and go. Now there is a seventh. I say once again that the present Leader of the Opposition is a good man, an honest man, a man of great integrity, a man of ability in his profession. I sound as though I am preaching a funeral sermon. We usually attempt to eulogize the dead. The present leader of the Conservative party is a long, long way from being dead.

Mr. Fulton: It is the atmosphere you breathe in your party that gives you that outlook.

Mr. Hansell: I am accustomed to burying people and I should like to bury a few more. However, I say that he is in a most unenviable position. A man came to me on the streets of my own village when all the hullabaloo was taking place with respect to the leadership and he said, "What do you think of this man Diefenbaker?" "O," I said, "he is a very fine and excellent gentleman."

I do not know what atmosphere I breathe, but I will tell my hon. friend that when I am out in the country I never ridicule one of my colleagues. I never try to destroy him. I am telling my hon. friend what the picture is and what to expect.

Mr. Dufresne: That is what you think.

Mr. Hansell: I said to my friend who stopped me on the street, "He is a very honourable and capable man, why do you ask me that question? Where did this man come from? For all that I have heard in the recent past you would think he came from some other world. Has it never occurred to you that he has been here all the time, that he has been one of the most capable men in the Conservative party, that the Conservative party has always had at its disposal the advice of this man? The thing I would like to know is whether he is bringing any new policies with him. Can he present any concrete alternative that the people can grasp and go forward to something bigger and greater, something that will give the people of this country greater contentment and satisfaction?"

That is the thing that makes political parties successful. Unless a political party has concrete policies, unless it can present alternative policies that will appeal to the people as something new and better than what they have today, then all the individuals rolled into one will not lead this country on to greater things. I would not say too much about this except for the fact that I have heard a good deal lately about the possibility of some sort of coalition between the Conservatives and Social Crediters. The word has been modified. It is said that certain statements have been misunderstood, that all the new leader of the Conservative party is doing is to appeal to the supporters of splinter groups to come over to them and

lend them their support. To do what? To put this government out. They say, "Come to us; support us in putting this government out, because we are the only other party in the country who can possibly form a new government."

Mr. Dufresne: That is right.

Mr. Hansell: Let me point out two errors in that sort of reasoning. Who said they were the only other party in this country that could possibly form a government? Nobody knows that. Any party that can nominate and elect enough candidates can form a new government in Canada. That is one error. What I would call the second error in that reasoning is this. Are we to be told that the objective of the Conservative party is to put the government out?

Mr. Dufresne: And form a better one.

Mr. Hansell: That is not what was said when they were talking about coalition, when they were bidding for the support of those who support the splinter parties. If the objective is to put this government out then it is a negative objective. Of course you cannot form a new government without putting the old one out but we do not go throughout this country with that sort of objective. When we go across this country we do so with an alternative suggestion. We attempt to enlighten the people with respect to what we believe is a way of life, a change in basic policies; and presenting this in constructive fashion we say, "Is this what you want?"

I am going to make a prediction, Mr. Speaker, and perhaps someone will read back to me what I have said after the next election. They may pick up *Hansard*, read it back to me and say that my predictions were all wrong. Somebody is bound to if they are wrong. If they are right perhaps we will hear nothing about them. I predict that the result of the next election will not see the Conservative party sitting on the government side of the house. I go further than that. I will particularize my prediction. I predict that the Conservative party will come back here with fewer members west of the great lakes.

Mr. Dufresne: The best joke we ever heard.

Mr. Fulton: Canada's No. 1 wishful thinker.

Mr. Hansell: If this best joke is in *Hansard* I may pick up *Hansard* in 1957 and read it back to see if it is a joke.

Mr. Dufresne: You will find that it is.

Mr. Hansell: I will predict this, if I may particularize. Let us take a look at the province of Saskatchewan from which the Leader of the Opposition comes. I will make this prediction. If he is elected—and he might be elected; it is conceivable to think that he might be elected—he will be the only Conservative member coming back here from Saskatchewan after the next election. I will go to my own province of Alberta, where the Conservatives now have two seats. It is conceivable that they may return two members. It is also conceivable that their membership will be cut in half, because all they need to do is lose one member in order to achieve that result. However, I shall be a bit magnanimous in my prediction there. I will predict that after the next election they will not come back with any more than two members from Alberta. I will go to British Columbia and I will make this prediction. I will predict that they come back here with fewer members from British Columbia than they have now. I am not prepared to predict too much about Manitoba. However, I will predict that they will not come back with any greater number from the province of Manitoba. If my predictions prove to be correct and if they come back here with fewer members from west of the great lakes, then how on earth do they ever think they will form a government from the rest of Canada?

Mr. Fulton: Your predictions are not correct.

Mr. Hansell: Mr. Speaker, once again I wish to say that I have the greatest respect for the new leader of the Conservative party. A little while ago I said that one of the best ways to destroy a political leader was to make him leader of the official opposition. Politics sometimes plays tricks. As to our own party, let me say this. I should like to see—and perhaps I shall—a little game of leap-frog that we sometimes play, whereby we leap over all the rest of the parties and leap from a third party to the government.

Some hon. Members: Oh, oh.

Mr. Hansell: Of course I knew that somebody would smile at that statement, but let me tell hon. members that it has happened twice in Canada in recent years. In 1935 in the province of Alberta we did not have one legislator sitting in the legislature. We jumped from nothing. We leap-frogged over all the other parties and formed a government.

A few years later almost the same thing happened in British Columbia. We started with a nucleus of Social Credit support. When the campaign started out the C.C.F., the Liberals and the Conservatives were

fighting one another. The campaign got under way and they began to discover that there was quite a surge toward us, about three weeks to a month into the election campaign—a few weeks on—until about two weeks before election day, when they stopped fighting one another and trained their guns on us. Why should they do that if we were so inconsequential? However, they did it. We played leap-frog again and we jumped from nothing into the government. My friends can smile but it happened twice before. It is conceivable that it could happen once again.

I say that the leader of any opposition in any parliament in Canada is just like the proverbial coconut at the country fair: three chances for a dime or eight for a quarter. There he sits, the object of attack. Unless he can come clean with some definite alternative that can be presented to the people and that will capture their imagination, unless he has something to propose that will eclipse anything else, he goes down as a failure and the party remains in opposition.

One thing about which we are extremely proud in our party, Mr. Speaker, is that we have an alternative. Oh, you may not believe in it. You may say that it is all haywire. You may say that we are a lot of crackpots. But be that as it may, one thing you will not say is that we have not the ability to present an alternative in basic and fundamental policy; and when I speak of an alternative policy I do not mean a paint shop or a repair job. If something is fundamentally wrong with the combustion engine there is no use in saying we will change the tires. That procedure is no good, but that is the game our Conservative friends are playing. They say, "We will pursue a taxation policy, all right, but we will tax somebody else instead of somebody else. We will readjust the taxation. Oh, yes; we will pay bigger old age pensions, bigger this or bigger that." But if you ask them the question, "Where are you going to get the money from?" the answer you get is, "We will reduce our taxation."

Let us look at that picture. It is as plain as day. You must get the money if you are going to spend it. If it comes from taxation, then you must get more in taxation if you spend more money. It does not take even a grade 3 schoolboy to figure out that proposition. Have they any alternative suggestion? Have they any alternative basic policy?

The Social Credit organization for real political and economic democracy is, I may say, on the rise in Canada today. Two provincial governments—those of Alberta and British Columbia—are Social Credit governments. These two governments have so administered the affairs of those provinces that they are two of the wealthiest, if not the wealthiest, provinces in Canada today. The people of the other provinces have taken note of this progress and have set up Social Credit organizations right across this country.

Mr. Campbell: How did the wealth get there, in those two provinces?

Mr. Hansell: The wealth has been there all the time, even with previous administrations. It is for that reason I say that when the Social Credit government took over in the hungry thirties things began to move because of wise policies.

Mr. Blackmore: Honest policies.

Mr. Hansell: Yes, honest policies. Another reason for the spread of Social Credit throughout Canada is that once people realize the basic principles for which we stand they are gripped with a conviction that in Social Credit lies the great hope for a greater Canada with a happy and free people living in the economic security which our vast productive resources are able to give. Social Credit has developed in Canada into an active movement to free Canadians from the strangling dictatorship of the money power and political party machine rule, and to make the Canadian economy function in such a way as to give all people the economic justice which the enormous natural wealth of Canada is able to give. Social Credit is founded upon powerful and enduring principles which can never be destroyed.

Mr. Studer: We will settle for $25.

Mr. Hansell: That old chestnut has been—

Mr. Studer: Roasted.

Mr. Hansell: —bandied around a great deal. It has been roasted by old age. Don't ever believe that the old, old story of $25 per month cannot be answered. We have answered it over and over again.

Mr. Studer: The federal government can answer it, but not Social Credit.

Mr. Blackmore: Why doesn't it do it?

Mr. Hansell: One of the great principles of Social Credit is that mankind was created to be free; that is an enduring principle. We claim that people are not to be regarded as the common herd to be pushed around at the whim of the masters. The very moment you do that you reduce mankind to the status of the beasts of the field.

Mr. Fulton: Why did you allow parliament to be pushed around during the session last spring? Why did you help push parliament around?

Mr. Hansell: I should like to know why some people pushed Mr. Speaker around.

Mr. Fulton: Ask the Minister of Finance; he is the man who did it.

Mr. Blackmore: Shame.

Mr. Fulton: Supported by you.

Mr. Thomas: The Tories do not like to be pushed around, that is the trouble.

Mr. Hansell: Social Credit is based upon great moral principles and must not be regarded—this is one thing I want to point out—as it might be by some Canadian people who have a common conception that we are merely another political party.

Mr. Studer: Hear, hear.

Mr. Campbell: Have you a monopoly on that principle?

Mr. Hansell: Social Credit is a way of life.

Mr. Fulton: So is bigamy.

Mr. Hansell: It is more than merely a political party. If there had been a party in Canada that would have formulated great basic principles and brought into operation the monetary reform policies which we are advocating and which would solve the problems of Canada, there would have been no need for a Social Credit party. The reason we exist is that other parties refuse to bring about these monetary reform policies that we claim will be the means of solving the economic problems which face Canada today.

Mr. Campbell: What Social Credit policies have you introduced in Alberta and British Columbia?

Mr. Hansell: Oh, shut up.

Mr. Fulton: That is the new way of life.

Mr. Hansell: In the Social Credit movement we believe that all things were created for the benefit and progress of all mankind. We believe that man was given dominion over the whole earth, and that as he subdues it and through his expanding genius makes the earth yield an abundance of those good things of life, they should be distributed and made to bless all mankind.

Now, Mr. Speaker, let me dwell on that for a moment. Is it not the strangest thing in the world that an abundance in Canada today produces a problem for this government? That is a problem for which Social Credit has the answer, because our monetary policies are applied to the distribution of abundance. We have been advocating that for many, many years. It is one thing to which this present administration blind their eyes and regard abundances as catastrophes.

Mr. Lesage: No, no.

Mr. Hansell: Well, they are not dealing with them, anyway. Now, say "no, no" to that. They are frightened by an abundance; that is the strange thing. They fear some things that are good and proper.

Mr. Lesage: We consider we are blessed with abundance.

Mr. Hansell: I am going to say this, that the present administration fears peace.

Some hon. Members: Oh, oh.

Mr. Lesage: That is ridiculous; you do not know what you are talking about.

Mr. Hansell: It is not ridiculous. The one thing that is keeping the economy of this country going today is the cold war which necessitates the bolstering of our defences. If defence spending were to stop tomorrow we would be plunged into an abject depression. In that regard, this administration fear peace. This administration fear expansion, so they cut back credit and impose credit restrictions, thus preventing expansion.

Mr. Lesage: Inflation.

Mr. Hansell: My leader gave an answer to that the other day. Read his speech; that is all you have to do. This present government fear progress. I will tell you what they fear. They fear automation. They have not the answer to automation.

Mr. Eyre: Nobody has.

Mr. Hansell: That is the very thing for which we do have the answer because all our active proposals are designed to meet a power age where men and women who labour are displaced by the machines.

Mr. Hamilton (York West): Too bad we could not turn this thing off.

Mr. Hansell: These good things we do not fear; these good things this present government fear, for which they have no answer. There are some things we in this group fear, Mr. Speaker. We fear the centralization of power that somehow or other does gradually by stealth take charge of the people of Canada. In order to keep men free the principle of decentralization must be adopted. We have to get back to the place where there is decentralization of power, with more

power put into the hands of local governments rather than centralized governments, and particularly a centralized government sitting here in Ottawa. I believe that is a principle which should be heeded throughout all our legislation, no matter what it is. For instance, the municipalities in this country are suffering.

Mr. Deputy Speaker: Order. I am extremely sorry to interrupt the hon. member, but I am obliged to advise him that his time has expired.

Mr. Hansell: Thank you, Mr. Speaker. I was not aware that time was slipping by so quickly. I shall pursue the matter at some future time. Thank you very much.

Mr. G. W. Montgomery (Victoria-Carleton): Mr. Speaker, I am not sure that I am capable of doing it, but since the hon. member who has just folded his wings and sat down took us on a trip through the clouds, I should like to try to bring us back to earth.

Before I proceed with my main remarks I should like to join the other hon. members of my party in extending congratulations to my new leader. While it was a tragedy to lose a great Canadian, as Hon. George Drew, our former leader, was, nevertheless it was very interesting to learn that out of that tragedy and the events that followed one certain thing emerged, namely that the great Progressive Conservative party is a fighting and vital force in this country. It is on the march again; it is a national party. Regardless of what the last speaker said, Mr. Speaker, it is quite within the realm of possibility that it will form the next government of Canada under our new leader.

I also wish to join with my leader and other hon. members and express my sincere regrets at the loss of Hon. George Drew. Like other hon. members, I hope for his sake and that of Mrs. Drew that he shall have a full and complete restoration to health, because he is a great Canadian. Because of his experience, his knowledge and ability, with a complete restoration to health I am sure he will have a great contribution to make to the building of this nation and the country which he certainly loves.

Since I last spoke in this house and since the last general session we have lost two members of this party. I refer to the late Miss Sybil Bennett and Dr. Trainor. These two people contributed much not only to parliament but to the public service in general and also to their own communities, and we all regret their untimely passing. If I might be permitted to mention one other individual, I should like to pay my respects to a man who was born and lived all his life in my constituency. I refer to the late Senator Pirie, who passed on since parliament closed last year. He was a man who throughout his life gave a great many of his years to public service, first in our legislature where he sat as an ordinary member and later on held the important portfolio of minister of lands and mines. He was one of the outstanding successful businessmen of the maritime provinces. If he was not the largest potato grower in the maritime provinces he was certainly one of them. He built up a great reputation for being a reliable shipper of seed stock potatoes; he was interested in manufacturing as well, and I know I speak for a large number of the citizens of my constituency when I say we certainly regret his passing at the early age at which he died.

Since it is the custom—but I should like to make it a little more sincere than that—I should like to congratulate the mover (Mr. Hanna) on his address. It was very interesting to listen to him and to learn that he comes from a province and city which are among the richest and fastest growing in Canada. After listening to the hon. member for Macleod (Mr. Hansell) one would almost think that all this rapid growth and richness came to the province and the city of the mover of the address as a result of their happening to have a Social Credit government. That is something I shall have to look into a little further to see which one of them deserves the most credit.

However, I would like to extend congratulations particularly to the hon. member for Gloucester (Mr. Robichaud), one of our own provincial representatives, who seconded the address. I think his remarks were well delivered and they will be well received. He acquitted himself well. He mentioned one or two things, and I certainly have no quarrel with him about them. In that connection I might say I was rather well pleased that the Prime Minister realized that in his large family he had a supporter from New Brunswick, because it has been quite a long time since we have been remembered. It may be that the Prime Minister also realizes it is just possible this is the last opportunity he will have of doing honour to a member from New Brunswick, at least for a while.

I now come to the speech from the throne. It is not a long document. There is not very much in it with which I intend to deal. A great deal of it has to do with foreign affairs, national and international policy, with which I would be incapable of dealing anyway. But there are one or two things in it to which I feel I can give my full support. The first one I should like to mention is the increased grants to universities. We shall have a bill coming before us which we shall be able to study to understand the method by which those grants will be administered. When this government, or any other government, is prepared to improve the educational system of this country it can depend on me for what little support I can give it. Our institutions of learning, the people in charge of them, our teachers, professors, and so on, who have charge of the youth of our land, are possibly the most important institutions and people to whom we can give consideration. They have a great deal to do with the moulding of the youth of our nation. This contact takes place in the formative years, when young people commence to consider what their outlook in life should be and prepare to make the important choices which will confront them. They should be taught in the educational institutions by the finest minds in the country in order to lead them into wise consideration of what would be the best form of government and administration in order to maintain in the country a great free democracy such as we enjoy today. Any support for universities and those connected with them is a thing for which this or any other government should receive applause.

I notice that another bill will be brought before us concerning the renewing on a revised and enlarged basis the federal program of grants to provincial governments in aid of technical and vocational training. This is something about which I have been talking for two years, and I am extremely pleased to see that the government is going to bring before the house this session a bill to revise and increase these grants.

I happen to have in my constituency a vocational school. Although it is not large it is one of the older schools in this country and the staff is very proud of it; indeed, all of us are proud of the graduates of that school. There is also an agricultural department connected with it, and graduates from the school are filling important positions today all across Canada. I do not have a list of them and I could not begin to name them all, but a few months ago the director named for me a group of young men who have graduated from the agricultural department of that vocational school and are holding important and challenging posts all across Canada in work dealing with agriculture in one or another of its aspects.

I would like to confine the main body of my remarks to my own province and constituency. Agriculture is the chief industry not only in my own constituency but in the province of New Brunswick, and lumbering comes next. These two industries affect our economic life more than any others, and I would like first to say a word about lumbering.

I was recently speaking to a young man who had been in the lumbering business with his father and later carried on the business in partnership with his brothers. In order to keep the record straight let me point out that he is not of the same political faith as I am, but he came to me because I am a member of parliament. In discussing the lumbering business he said to me, "This tight money policy, the restriction of credit and the actions of the Bank of Canada are making it very difficult for lumbermen". He continued, "When you get to Ottawa look into this matter, and waste no time in trying to impress upon those people down there that this tight money policy may be all right for Ontario or some of the other provinces but it is actually hurting us in New Brunswick, and especially those who operate small businesses".

I am passing that along through you, Mr. Speaker, to the government to show that complaints are being made concerning the restriction of credit and the high interest rates that have been imposed by the Bank of Canada, and that these are actually harming some of our small industries.

As I have said, agriculture is our prime industry in the province of New Brunswick, but as was pointed out by the hon. member for Gloucester when he was speaking the other day, mining is rapidly emerging as an important aspect of the industrial development of our province. This has come about through the expansion of our power resources which we launched upon in the last few years, and this expansion must be continued.

When the hon. member for Charlotte (Mr. Stuart) spoke he implied that many people in the province are opposing such developments as the Passamaquoddy project. I want to assure him and other hon. members that those members from New Brunswick with whom I have spoken are just as much interested in this project as is the hon. member for Charlotte. We are sincerely hoping that the surveys will indicate that it is a feasible project. I found it interesting that he should tell us in plain terms that if it was found to be feasible the federal government would back us in the development.

That came as good news to me. I do not know how much authority the hon. member has, but I will say this. The federal authorities could back us on this and similar power developments without it costing them a cent. We could then finance some of our bigger projects and save our people a great deal of money. In addition we would be able to sell our power at a more attractive price and thereby attract more small industry to the province.

In spite of all the things I have mentioned I think the people of New Brunswick generally have had a very good year. The spirit which now exists in the province is different from the spirit which prevailed a few years ago, and although our economy is not forging ahead it is more than holding its own among the other provinces of Canada. At the risk of being accused of boasting I am going to suggest that much of this has been brought about because of the fact that we have been assisted and encouraged and given new leadership by an able provincial administration which works as much as it can in full co-operation with the federal authorities.

I might point out that the federal government will never lose anything by giving fuller co-operation to the present administration in New Brunswick. I challenge any hon. member from New Brunswick to stand up in this house and say that the money which goes to New Brunswick is being used for political purposes. Such statements could not be supported because they are without truth or foundation; I know what I am talking about.

Our province like some other parts of the maritimes did lag behind for a number of years. We did not have the revenue to meet the demands which piled up, and the requirements are enormous in the fields of education, hospitalization and health. The province can do only so much by itself. We have a province containing many roads and bridges, many of which have deteriorated or are in bad shape. These must be restored, repaired and replaced by new ones, and all this construction will take a tremendous toll of the revenue available to the province.

I wish now to pass on to another matter referred to in the speech from the throne. I refer to the establishment of a committee to consider what should be done to make better use of land for agriculture and thus to contribute more effectively to the improvement of agricultural production and the incomes of those engaged in it. I have no quarrel with this and I offer no particular criticism of it, but in listening to the Prime Minister's speech on this matter the other day I could not help but feel that at best this is a long-term project. From that standpoint I have no criticism to make, but the farmers of the maritimes are looking for results which will come a little faster than that. They should have had assistance in 1956, and they are looking for assistance in 1957.

After listening to the Prime Minister and reading that statement in the speech from the throne it would appear to me that apparently this government have the feeling that our farmers are backward, are more or less ignorant and have very little knowledge of farming, where to farm or how to select land. That seems to me a mistaken idea. I want to say to hon. members of this house that some of the cleverest men are farmers. Some of the most successful men in our province are farmers.

I do not see any need to set up a committee which will cost this country hundreds of thousands of dollars in order to run around the country to find out if farmers know where to get land on which to farm, how to select land, or what crops to grow. All you have to do is assist the agriculturist by providing markets in which he can sell the products he raises at a reasonable profit. If that is done he will produce the goods. I challenge anyone to take issue with that statement. The farmers are able to pick out land, and they will move from place to place if it is profitable to do so. In other words they will be able to find out what are the best crops to grow on their land, and there is no need of a committee running around the country telling them to do that. What our farmers need are markets in which to sell their produce at a reasonable return.

There are other ways in which our farmers can be assisted. At the moment the Minister of Finance (Mr. Harris) is not in his seat but no doubt what I am about to say will be

called to his attention, because I believe his department is responsible for the administration of the Canadian Farm Loan Act. It will be recalled that when an amendment to this act was being considered last session it was pointed out that the farmers were not getting the type of assistance to which they felt they were entitled and which the framers of this legislation intended they should get. I am sure almost every hon. member has had cases brought to his attention, and as a matter of fact the hon. member for Gloucester mentioned this legislation in his remarks the other day.

One case came to my attention which was so ridiculous that I cannot refrain from bringing it to the attention of the house and the Minister of Finance. A young man in his twenties, raised on a farm, married and with a family, owns one parcel of land consisting of 150 acres on which is a fairly good house which could not be built today for less than $5,000. In addition he owns another parcel of 100 acres on which is a much better house. Against that parcel of land there is an obligation of not more than $1,500, and there is nothing against the 150 acres. The two parcels of land are situated side by side. This man has a good deal of machinery, and as he lives quite close to his father they are able to exchange labour. He raised 5,000 barrels of potatoes this year, of which he still has 2,000 barrels in his potato house, a good portion of which he will have for sale.

He went to the Canadian farm loan for a loan of $3,000 because he wanted to build a stock barn which would cost him at least $6,000. He wanted to put up a modern barn on the 150 acres, but his request for a loan of $3,000 was turned down. I understand he was told that his buildings were not of sufficient value to warrant a loan under the Canadian Farm Loan Act. As I say, his request for a loan was turned down.

But that is not going to stop him. This young man was born and brought up in this particular community. He is a successful farmer, as his family have been before him. He is going to get help, but the burden will be greater because his payments will be more and the interest rate greater than if he could get a loan from the Canadian farm loan board. In my opinion he should have been able to get that loan if this legislation is on our statute books to assist good farmers.

The necessary lumber for this barn is already at the mill ready to be processed into boards. This young man is going to go ahead with that barn but, as I say, he should not have been turned down when he presented a proposition like that. I am afraid that the department has set up this Canadian farm loan board as a type of bank where a man must be able to put up two or three dollars in order to borrow one dollar as a loan. Other applications have come to my attention which I admit were not so glaring; therefore I am saying nothing about them. But there is a happy medium, and that is why I bring this case to the attention of the Minister of Finance. I hope they will see that the administration of the Canadian Farm Loan Act is loosened up some. I know the people will appreciate that.

A farmer must sell his produce on fluctuating markets and he must depend upon the weather in order to carry on his harvesting and so on. All these things make farming hazardous. As you all know I am interested in the potato industry, as a great many of my people depend upon the growing of potatoes for their livelihood. Some of our young farmers are seeing what they can do to overcome the transportation problem and the fact that their markets are so far from home.

This brings me to another matter which I hope will be brought to the attention of the Minister of Finance. In raising potatoes the grower is faced with high freight rates and the fact that he has no protection. Then to add insult to injury as far as the growers of potatoes are concerned, they are faced with a 4 per cent premium on the Canadian dollar. Neighbours of ours within 14 miles, just across the border, are able to ship their potatoes into Montreal and other cities and towns in Quebec and Ontario and lay them down at a lower price than can our farmers.

The one item of 4 cents on the dollar amounts to considerable on a carload of potatoes. A car will hold 240 to 250 barrels, and that premium represents a profit of about 10 to 11 cents a barrel. That is what our farmers are up against. There are three young men in our community, men who were brought up on the farm, men who are potato growers and who have shown that they are good businessmen. They have launched a new frozen fruit and vegetable industry and propose to freeze French fried potatoes, and in so doing to handle several thousand barrels of potatoes. Those potatoes would be brought into the plant from within 20 or 25 miles, processed and then shipped in smaller bulk to the markets of Canada. By this means an opportunity will be given to the small farmer who can grow a few potatoes or strawberries or small vegetables and whose produce can be sent to the factory by truck or car.

I notice that neither the Minister of Agriculture (Mr. Gardiner) nor the Minister of

Labour (Mr. Gregg) is present in the house, but perhaps some other member would convey this to them, because it is, maybe, the first time I have wished to pass them a bouquet. I want to thank the Minister of Labour and the right hon. Minister of Agriculture for the consideration they showed toward these young men in co-operation with the province of New Brunswick in the erection of this plant. When he was approached the Minister of Agriculture told me last spring they would do what they could to help, and I wish now to say that we are pleased with what they did.

Since this plant was put in operation it has been found that the cottonseed oil which is imported in order to process these farm products has to carry a tariff of 20 per cent or more, which means a considerable burden on the cost of processing. In the letter I have it is stated that from 20 to 30 per cent of the cost is due to this oil. The operators find that the reason a tariff has been placed on it is because the same oil is imported for the manufacture of margarine. I am not surprised. I am glad there is a tariff on the importation of a substance for use in the manufacture of margarine because margarine, when manufactured, goes on the market in competition with an agricultural product. Therefore, I say, we should protect our agricultural product and put on a tariff when necessary. However, there is a point which I would like to ask the Minister of Finance to take into consideration.

LABOUR CONDITIONS

CANADIAN PACIFIC RAILWAY—ANNOUNCEMENT OF SETTLEMENT OF STRIKE

Mr. St. Laurent (Quebec East): I would like to ask the consent of the house to revert to motions in order that I may make a brief announcement.

Mr. Deputy Speaker: Is there unanimous consent?

Some hon. Members: Yes.

Mr. Deputy Speaker: Very well. The remaining time of the hon. member for Victoria-Carleton (Mr. Montgomery) will be protected.

Right Hon. L. S. St. Laurent (Prime Minister): I have here a proposal to terminate the interruption of transportation services on the Canadian Pacific Railway lines which has just been signed by Mr. Crump for the company and Mr. Gamble for the union.

A commission consisting of three judges to be constituted under the Inquiries Act, Revised Statutes of Canada, 1952, chapter 154, and to have the benefit of any technical advice it requires from the Board of Transport Commissioners for Canada and from any other public body it deems advisable. This act provides that the commission may engage the services of technical advisers or other experts to aid and assist the commission in its inquiry.

In view of the establishment of this commission, an agreement shall be entered into by the parties, including the present diesel rule, arbitraries and mountain differential, which diesel rule, arbitraries and mountain differential shall be subject to amendment by renegotiation in the light of the advisory report of the commission.

The terms and conditions of the agreement in respect of all outstanding matters other than the diesel rule, arbitraries and mountain differential shall be in accordance with the report of the conciliation board.

Transportation services will be resumed forthwith.

Some hon. Members: Hear, hear.

Mr. St. Laurent (Quebec East): It is suggested that the commission begin its inquiry as soon as possible and that it report not later than October 1, 1957. The understanding is that immediate notices are going out to all concerned, and that work to get the transportation services into operation will start not later than daylight tomorrow morning.

I think hon. members will wish me to express on their behalf and on behalf of all the Canadian people appreciation for the serious and genuine efforts which have been made by those representing both parties to this dispute to eliminate the differences which occasioned the interruption of transportation services; and that the parties will realize that in bringing about a speedy resumption of transportation services they will be rendering not only to those people they represent but to the whole Canadian people a very much appreciated service and one for which all will, I think, be grateful. I think the gratitude and good will which will radiate from this short document will help to restore good will between the company and its employees, a good will that means so much to the successful service of the public by the transportation system.

Some hon. Members: Hear, hear.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, the Leader of the Opposition, who has had to leave this afternoon, has asked me to express on his behalf and on behalf of the official opposition our gratification at the fact that the Prime Minister has been able to announce

the resumption of operations by the Canadian Pacific Railway. I know we all wish to be associated with what he has just said with regard to the pleasure it will give to hear that the men have been able to go back to work, that operations are to be resumed, and that this has been done under the processes of free collective bargaining.

Some hon. Members: Hear, hear.

Mr. M. J. Coldwell (Rosetown-Biggar): We certainly welcome the announcement made by the Prime Minister. The very fact that three judges have been allotted to this important inquiry and that they can obtain all the technical assistance they require should be the means of bringing down a report which I hope will settle this problem. We are happy to know, too, that the problem of the diesels will be separated from the other problems that will be dealt with by the parties concerned. We, too, express satisfaction that there has been no compulsion; free men in a free society, bargaining freely, have achieved the result, and that is very much to the good. I am glad there was no compulsion exercised against either party in this dispute, and I am sure the people of Canada will welcome the announcement made by the Prime Minister. I wish to congratulate all those who have participated in bringing about this satisfactory result.

Mr. Solon E. Low (Peace River): Mr. Speaker, we, too, are very gratified that the service of the C.P.R. will resume very soon. That was the main point in our urging the government to do everything it could to bring about an early end to the strike. We also are gratified that the agreement to resume work has been possible without resorting to compulsory arbitration, and we hope that when the commission's work is finished and their report is handed down public opinion will be strong enough behind what it discloses that its findings will be accepted by both sides and good will will be shown by both parties.

Mr. St. Laurent (Quebec East): May I express my gratitude to the hon. member who had the floor when I came in for allowing me to make this announcement at this time. I know and he knows that it was anxiously awaited by many Canadians in many parts of Canada, and perhaps nowhere more anxiously awaited than in the maritime provinces, which have been rather sorely tried by the fact that under winter conditions there were not the transportation services that were essential to the functioning of their economy.

Mr. Montgomery: Mr. Speaker, I thank the Prime Minister for his kind words. I felt that something important was impending when I saw him come in, and certainly it was a great pleasure for me to give way to hear his announcement and to learn that the strike was settled. A good part of my constituency has been tied up by the strike. We are served by the C.P.R. and, as a matter of fact, in order for me to get here on time I had to travel for three days instead of a little over a day and a half. We are all very grateful.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed consideration of the motion of Mr. R. F. L. Hanna for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Diefenbaker, and the amendment to the amendment of Mr. Coldwell.

Mr. G. W. Montgomery (Victoria-Carleton): Mr. Speaker, I had been making a few remarks concerning the importation of cottonseed oil, which is a matter of interest to a young industry in my constituency. I want to impress upon the Minister of Finance and his department that we would appreciate it very much if, at the request of this young industry, they would do anything within their power to grant relief. My chief argument is that while there could be a tariff against the oil when it is brought in and processed with other materials to make a manufactured product which is on the market in competition with agricultural products, I think when the oil is brought in to process an agricultural product itself in order to put that product on the market there could be some way in which the oil could be reclassified, in the same way that soy bean oil brought in for the processing or canning of fish is allowed to come in free. I leave that with the hope that the Minister of Finance and his officials will give every consideration to the matter.

There is another matter I should like to mention, and my plea in this instance is also made to the Minister of Finance. I want to assure him briefly that the greatest complaint of the potato producers of New Brunswick is that regardless of what the tariff board found they do want a tariff or some arrangement made whereby Canadian potatoes may enter the United States market on the same terms as potatoes from that country enter the Canadian market. I am instructed to impress that very strongly on the government.

I am not going to say much about freight rates at this time except to say, as the hon. member for Digby-Annapolis-Kings (Mr. Nowlan) said, that it is time a new look was taken at the Maritime Freight Rates Act. In the light of the increases in freight rates that have taken place, the act should be revamped so we will get the benefits that it was originally intended that the east would get.

I should also like to say a word or two about veterans affairs. I am not going to spend very much time on the matter, not because it is not an important subject but because there are other veterans in the house who as a rule can present the subject much better than I can. But I support the brief the Canadian Legion submitted to the government wherein they ask in particular that the ceilings on total permissible incomes under the War Veterans Allowance Act be increased to $1,200 and $2,000. I also feel very strongly that Canadian veterans of world war I whose overseas service was restricted to the United Kingdom should be eligible for the war veterans allowance, provided that their service in the United Kingdom was of at least one year's duration.

There is another submission by the Legion that I certainly think deserves serious consideration, namely that the widows of allied ex-servicemen be granted the war veterans allowance in cases where the husband died before completing 20 years' residence in Canada, provided that the effective date of her eligibility be 20 years after the husband's arrival to take up permanent residence in Canada, that the widow herself has completed 20 years' residence in Canada, and that both the husband and wife under all other circumstances would be entitled to the pension.

There is one other thing that seems to me to be rather unfair, and it is something I did not know existed. Section 8 of the War Veterans Allowance Act reads:

> No allowance shall be paid in respect of any orphan who is in receipt of a pension under the Pension Act.

This section has the effect of refusing to children of men who died in action, or as the result of service disabilities, the same level of income as that provided to orphans under the War Veterans Allowance Act. An orphan under the War Veterans Allowance Act can be financially assisted up to a maximum of $720 per year, but because of this restrictive section, that is section 8 of the War Veterans Allowance Act, an orphan under the Canadian Pension Act, even where there is no other income, is limited to $480 per year. This appears to be a very unjust situation.

I strongly support the Legion in these demands. There are some others which may not be so necessary, such as the one respecting the permissive equity value in a home, although it must be said that values have gone up greatly since the provision was originally enacted. They also ask in their brief for an increase in general disability pensions. I am not going to say anything about that, but I do say that I support particularly the requests to which I have referred, and I support generally the brief of the Canadian Legion.

As I said a minute ago, I do not have much to say about the strike. I did not intend to say very much because others have spoken fully. My area is going to be very pleased at the settlement, because it was very badly tied up. However, I do want to refer to one assertion made by the hon. member for Charlotte that we from the maritimes do not come to the federal authorities with any sound ideas. I do not agree with him. I do not think it is a fair statement to make.

I want to tell the house, Mr. Speaker, that in the Atlantic provinces economic council, ordinarily referred to as APEC, I think we have a group of sincere men working together and when their ideas are submitted they should not be called cockeyed, as the hon. member did in referring to them this morning. I think it is unfair. I have a lot of faith in APEC. I am satisfied they are doing a good job and are going to do a better job for the maritime provinces. I am satisfied, regardless of what was said this morning, that the federal government will pay some attention and give a good hearing to the ideas brought forth by the Atlantic provinces economic council.

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, I am not going to devote any time to congratulating the mover (Mr. Hanna) and the seconder (Mr. Robichaud) of the address in reply to the speech from the throne. It has been done so often that I think it can be taken for granted that we all echo the sentiments of our leaders who tendered congratulations in the first instance.

I am going to try to be specific in what I say. I listened with a great deal of attention this afternoon to the hon. member for Macleod (Mr. Hansell). While we may not agree with all he had to say, I think we can agree that he livened the house up and put the situation in its proper perspective. This is an election session. Many of us will not be here next session, and it is well that we pay our respects to each other before we leave. But I think it is particularly necessary that, before leaving here, we make ourselves clear as to why we may want to come back. The hon. member for Macleod rather paved the way. Of

course, as far as he is concerned, no one is coming back next session except Social Credit members.

This year the throne speech is a rather puzzling one. The fact of the matter is that, when I read it over, my opinion was that this being an election year, the government are being extremely careful in anything they may propose by way of legislation. They are not sure what is best to do so far as the country is concerned. Hence they figured that if they brought in a speech from the throne with nothing in it that was controversial, the members of the house when discussing it for the next 10 days would give the government an idea as to what they should do this session by way of legislation to supplement the speech from the throne. In other words, in my judgment it is just a trial balloon. There is not anything to disagree with; there is not anything to agree with, very much. We shall just be obliged to tell the government what we think is best for the Minister of Finance to do in his budget and what they should bring in by way of legislation at this session, as we see it, if they want to get elected again in the country.

I think the puzzler for the government at this time is the question whether the Minister of Finance should use his present surplus for the purpose of reducing taxes or whether he should use it for the purpose of building up social security payments right along the line. Before I get through I am going to tell him in no uncertain terms what I think he should do. I believe that is what the government want us to do.

For a start, let me say this. The throne speech does one thing that is necessary, though I do not think it goes far enough and I do not think it is equal as between province and province. I refer to federal aid to education. There is a great disparity between the disbursements in the maritime provinces and in the rest of Canada. I have here a clipping reporting the speech of a learned professor who was making an analysis of the subject. It is quite lengthy. He goes into the matter rather fully. However, he makes this observation dealing with the proposal to double the amount of money available for university aid:

> Assuming the announced doubling of last year's amount of federal grant to universities a university in Alberta will receive $300 per student and one in Ontario, $275. A university in Nova Scotia, however, will receive $160 for rendering the same service to the nation, Dr. Kerr said.

While we all believe that making available that additional money is a step in the right direction, I believe the equalization of those payments as between province and province is something that should be taken under consideration. There is no reason why the amount per student should vary so greatly as between universities in the maritimes and the other universities across the country. Of course another provision forecast in the throne speech is to boost the aid to technical high schools and trade centres. The money had run out. New agreements are now available which provide for much more money. It is a development that is badly needed across the country. That is another thing for which this throne speech has provided. Of course the details will have to be worked out as between the provinces and the federal government.

There is another good thing that was in the throne speech—I picked out all that was good in it, and there were only three things—was the increased aid for disabled seamen. The federal compensation act is being revised and brought into line with the compensation acts in the provinces, and the pension to the widow of a seaman who may have lost his life is now being equalized as it is paid from province to province. These are the three things that were of value in the throne speech. In view of the fact that I consider it to be a trial balloon and that the government are looking for advice as to what they might bring down, I am going to try to tell them from there on in.

Mr. Macdonnell: Will the hon. member permit a question?

Mr. Gillis: Yes.

Mr. Macdonnell: Am I right in thinking that the reason the grant per student in the maritime provinces is so much lower than it is elsewhere is that there is a higher percentage of students there to the whole population, and that the grant is made per head of population?

Mr. Gillis: That is exactly right, and it is an extremely easy matter to iron out. It is merely a matter of a little bit of arithmetic.

I should like to say just one or two words about the announcement made by the Prime Minister a few moments ago. I am not going to hold any post mortem on the matter, but I should just like to say this. This country today is going through a process of industrialization that is a new industrial revolution. I view that strike on the C.P.R. as one of the reflex pains of automation. It happens not only on the C.P.R.; it is happening in every industry in the country. Technological advance—and we must accept it—brings about these things. We had it in the mining industry. We had it in the automobile industry. Now we have it on the railways.

I think the government will be obliged to provide certain machinery, and I think it is simple to provide it. We have been advocating it for years. I believe the government should set up industrial councils by means of which representatives from every industry in the country would be able to meet with the government, with representatives of management, and the unions called in whenever there was a threatened disturbance because of technological advance. The matter is not going to stop there. That machinery is today necessary so the Department of Labour at least would have a ready contact with people in the industry who know the repercussions of any changes that may be taking place.

The building industry has had that machinery for years. You never hear of any trouble in the building industry. They have had their own industrial council for many years and they come in here and meet with the minister and his officials, both management and employees, and iron out their difficulties before they get started. That is prevention. In these matters, as with disease, prevention is better than a cure. It is better to prevent an appendix eruption than to have an operation. If you had had an industrial council of the railway industry, with competent people who had seen that strike developing, and if they had met together before the eruption, I am reasonably sure that it would not have taken place.

I just say that now in passing because I think the government should take advantage of that kind of machinery. It does not cost them anything. It is merely a matter of having the personnel appointed from each industry and from the railroads so that when something like what has happened occurs they have someone to whom to go rather than being left to get out in the street and fight it out among themselves, and disrupt either that industry or the economy of the country, as happened in this case. I hope the Minister of Labour particularly and the government will give some thought to that, because we have been preaching it for 10 years. The example of the building trades is a good one, because any friction is ironed out before there are any difficulties.

I said a moment ago that if we are leaving here to go back for an election we should be quite clear in our own minds where we stand and for what we stand. This morning—and I am not saying this to be mean—I listened to the hon. member for Brandon-Souris (Mr. Dinsdale) speak. I always enjoy his speeches. He took the Gordon report—

[Mr. Gillis.]

Mr. Dinsdale: Just parts of it; I did not read it in detail.

Mr. Gillis: But it is like the Bible; you cannot take just one parable, you have to take the whole thing. The hon. member said the Gordon report was a wonderful document. In fact he said he believed these people were looking down the neck of George Drew when they wrote that report.

Mr. Dinsdale: In connection with the items to which I referred.

Mr. Gillis: If anyone wants to accept that report as an election manifesto he is quite welcome to it.

Mr. Dinsdale: Just on the items to which I referred. I had not time to read the whole thing.

Mr. Gillis: They are not going to take this bit by bit, taking the good and leaving out the bad. I just want to warn my hon. friend, because that will be held against him at the right time and in the right place, not by me but by people sitting not very far from him. If I were living close to the hon. member I would make full use of it, too, and I know he would if the positions were reversed.

I know this is an interim report of the Gordon commission and the final report may be much different. I hope it is. There is not anything new in it. I am going to deal particularly with the maritime sections of it. He pretty well writes off the maritimes. I am dealing particularly with the coal industry now, because he made a special study of the coal industry. On page 51 of the report there is a table headed, "The Estimated Sources or Types of Energy Used in Canada". This table shows how the coal industry has declined and will decline by 1980. It shows coal, including coal for electrical energy, as a percentage of the total energy consumed. In 1926 it was 69 per cent; in 1953, 39 per cent; and by 1980 it will only be 16 per cent. That is not a very bright picture.

Then, again, over on page 103 of the report, in the first paragraph on the page he dealt with the mechanization taking place in the mines. He said:

> This means, according to estimates contained in our study on the Nova Scotia coal industry, that if there were no reduction in employment an additional two million tons of coal would be produced each year. On the other hand, if production is not increased the services of some 4,000 of the 11,000 mine workers presently employed will not be required.

Knowing the industry as I do, he is practically telling me there will be 4,000 more

people go out of that industry. There has been a heavy exodus from it in the last five years.

Over in another section of this report on the maritimes he tells us that he sees the future of Nova Scotia coal marketing as being backed up into the maritime provinces only. Of course he advocates the development of thermal power to supplement the power at Gagetown through the use of coal from Nova Scotia. Well, that is not a new story; that is the Christie report. We have heard all that over the years. So far as I am concerned there is nothing in the report with respect to the maritime provinces except a reiteration of the policies that have been in effect for the last 50 years. He says to move out. We have been moving out for the last 50 years, and there is nothing in the report that would suggest that there is any future development for the maritime provinces.

He makes one recommendation here with which I agree, although the mechanics are not exactly as I would like to see them. Over the years I have advocated a national energy policy. In this report he recommends a national energy board which would replace the present coal board. It is not necessary to replace that coal board. All you need to do is amend the act under which that board is set up, broaden the powers of the board and give it the necessary technical personnel to examine coal, gas, electricity and any other fuel that may develop in the future. He says the board should supervise imports, exports and so forth, but I would add "regulation", because if you have no power to regulate you have no power to direct. If it were merely a matter of advising as between the provinces and federal government and the industry, then it would not be a very effective board. At least he has taken a step in the direction that I have been advocating for some considerable time.

I hope before a final report is written the Minister of Mines and Technical Surveys will have some consultations with Mr. Gordon in order to enable Mr. Gordon to understand the problem as it really is. You have to have a board with the proper personnel, but you do not have to replace the coal board. If you broadened the board and added to it, then you could give it the power of regulation to make it effective.

According to press reports, coal is far from dead. It is one of the main problems of the Russians today. I have a newspaper report written by Victor Riesel, the correspondent who writes for the New York *Mirror* and who was blinded not so long ago by gangsters of the labour movement in the United States. I am not going to read the full report, but according to it the great difficulty Russia is having today, and one of the main reasons for the uprisings in the satellite countries, is that the miners are not producing coal. He says it was the miners in Hungary who spearheaded that revolution. The interesting part of the story to me is that there is a tremendous market in West Germany and in France for coal from this continent. He says:

> You get a picture of just what the Hungarian mines mean to Moscow if you look at the needs of the Germans and French. The western Germans, for example, would be happy if they could increase their purchase of 8 million tons of coal annually to 15 million. They've flown over some of their top industrialists to see John L. and coal industry leaders here. They'll get the tonnage if we can put ships to sea.
>
> The French have had their people here too, seeking an increase from 3 million tons to 7 million tons a year. Compare these figures—which the French and Germans reckon can keep their industries alive—with what the Russians are losing just in Hungary.

It is a good story and points out the fact that coal is far from dead. In this Gordon report there is the observation that there is a tremendous market for coal in Europe, provided we can get the proper subsidy understanding with the federal government. I am saying this just as a warning; we do not want to close out our coal industry in this country too fast. I am reasonably sure also that if a competent examination is made by this Gordon commission of the economics of laying a pipe line to bring natural gas from Alberta to Quebec and Montreal and changing your equipment over to use that gas, and compare that with the economics of coal in that area, coal will stay in that area. I am reasonably sure that would happen. I hope that before the final report is written something will be done on that particular matter.

I hear everybody talking about an increase in population. That increase is taking place in almost every section of Canada except the maritimes. I was looking at some figures on urban centres issued in 1956. I note that in the province of Nova Scotia, instead of there being an increase from 1951 to 1956, there has been a decrease of 11,000. I know in my own particular area, in two or three towns, we have lost around 1,840 people, and the trend is in that direction.

In his report Mr. Gordon has said very little about the rehabilitation of agriculture in the maritimes. One of the main reasons why agriculture is not developing in that province in the way it should is the cost of fertilizer. We are dragging fertilizer all the way down from Ontario. The government, of course, is subsidizing the freight rate on it, but even after it gets there it is very expensive. A few

days ago I was interested in picking up another report which shows that there is a complete lack of thinking in our part of the country with respect to the use of our own resources. This article has a startling headline, as follows: "Charges Fertilizer Source Neglected". The article says:

> Some 100,000 tons of material that should be going on Nova Scotia farm soil is being wasted every year at the steel industry in Sydney, Dr. G. R. Smith, chairman of the soils and fertilizer committee at the Truro agricultural college, told the Nova Scotia agricultural conference here yesterday.

This is quite a lengthy article. The 100,000 tons referred to consist of slag, waste from the steel plant. I remember an estimate going through this house in 1942 that gave the Dominion Steel and Coal Corporation a substantial sum of money for research into the possibilities of using that slag for fertilizer or whether it should be treated, and so forth. Evidently its possibilities were proven, and according to this article by this man, who is an expert, it is an excellent fertilizer, as good as any they are hauling from Ontario. Well, that is the kind of thing Mr. Gordon should look into.

I believe that the agricultural industry in that part of the country should be stepped up. I do not think any country can survive long whose main basis is not agriculture, because people have to eat. You can make as many automobiles and steel plants as you like; you can produce as much manufactured goods as you like, but you still have to come back to the farmers of the country in order to feed the people.

This report also indicates that on a national scale our farm population is going to decline terrifically by 1980. This is something the federal government should definitely take a look at, because we just cannot afford to keep on crowding people into urban centres, building skyscrapers, putting children into those buildings and cooping them up like chickens where they have no fresh air and no place to play or to do anything else. I believe a country that neglects its agriculture and does not maintain it as its main base will pay for it before very long. That was the forecast of the economists who assisted in compiling the report.

If we have 100,000 tons of good fertilizer which has been thrown away in that part of the country, then I ask this question. Why could it not be utilized and given to the farmers? It could be given to them at very low cost, and it might encourage them if they do not have to pay $90 or $100 a ton for fertilizer, as they are doing today. I mention that because I think it is something the federal government should take a look at. The federal government has already put money into the project in the research stage, and according to the report I read it has proved practicable. It was good fertilizer but it has been thrown away.

Of course one could go on and on with the Gordon report, but I am not going to do that. There are many things I would like to say about it, but I should like to save them until I see the final report. This is only a sketchy thing, but it definitely pinpoints the maritimes. They made a special examination of the coal industry and other resources, but they certainly did not come up with anything. The recommendations in the report with respect to the kind of public investment fund for the purpose of assisting industry are quite all right. It is quite all right to set up a fund of that kind. That has already been done in the maritimes. There is a provincial public investment fund today, but in addition to that we have the Atlantic provinces economic council which is doing the research, and then we have industrial development boards in many sections of the province.

Some of these boards are bringing small industry into certain sections. I know that right in my own area a plant was recently established with local capital by the local industrial development board. This plant will employ some 300 people. This is the kind of development I like to see. If a plant locates in the province, the investment fund in the province will grant a dollar for every dollar invested by the plant itself. They will be assisted by the provincial government advancing dollar for dollar.

The economic council shows me, at least, that there is no need to appoint a new body to come in to do that kind of work. They are doing it themselves. The men who are doing that work are men who are living in the province and know the needs of the province and the marketing possibilities of the province, and have an idea as to how much interprovincial marketing can be done, because this is one of the main objectives of the organization. As I said before, they have their own industrial boards in different sections which are raising funds locally and are trying to bring in small industries.

If the federal government goes along with the Gordon recommendation that a fund should be set up by the federal government to assist in the rehabilitation of those areas, it should be done in co-operation with the province to supplement work already being done by those boards. Full advantage should be taken of the Atlantic provinces economic council and the facilities they can supply locally in all four provinces. It would be the best machinery that could be set up.

I am glad to see the Minister of Finance entering the chamber. Before he came in I was telling the house that the throne speech, with very few exceptions, was a trial balloon. I did not see much in it. It leaves a lot for the members to say. The suggestion is, let the members talk on this speech and by the time the minister is ready to write his budget he will have a fairly good idea as to whether he should reduce taxes because of his surplus, or whether he should step up social security payments all along the line. Of course other legislation can be brought in despite the fact that there is not much in the speech from the throne.

Well, I would like to tell the minister that as far as I am concerned there are many people in this country who would get no relief from a tax cut. The last time the minister of finance, now Mr. Justice Abbott, presented his budget speech, he pointed out that there were 137,000 families in the country living on incomes below the income tax level, and they received no relief from a tax cut. If the minister was considering using that surplus I would suggest the way he could get the greatest political value from it across the country would be, as a start, to step up the old age pension to the figure of $60 a month, I would say, because that is needed. These people are living on the borderline of charity, and those who do not have relatives or friends who will assist them are in a worse position than borderline charity cases.

It would be a good gesture on the part of the minister if he would step up the old age security pension, and I believe the second thing he could do would be to remove the means test from the blind pension. These people are already penalized as it is; they are living in darkness. Those who are able to go out and supplement that pension by some income should not be further penalized and the income should not militate against their right to retain the $40 a month, as it does today. It would be a good idea to bring the blind pension up to a par with the old age security pension.

A third step would be to modify the regulations of the Old Age Assistance Act. I believe the qualification age of 65 is too high. In large part these people are disabled through sickness or by some other means and have no income. I believe the qualification age should be lowered to 60 in the case of men and 50 in the case of women. The most pathetic figure in our midst is the woman of 50 years of age who has raised a family, now broken in health, whose children are away, who is without a home and who lives with friends and neighbours. Any hon. member who has done any work in his riding must know of many cases like that which come to his attention, and there is nothing one can tell these women. It is a very sad thing to have to tell a woman in those circumstances that there is nothing one can do because there is no legislation.

A fourth step would be a modification of the Disabled Persons Act, and we have been hammering at this now for a couple of years. Today you can live in a wheel chair, but if you are able to wheel yourself to the table and eat you cannot qualify for a pension under this act. You may even be mentally and physically incapacitated from birth and now 50 years of age. I know of some cases like that. Some of the people I know in this situation have never earned a dollar in their lives but they are able to walk, and therefore cannot qualify under the act. I am convinced there should be some modification in the administration of the act.

Of course all the things I have mentioned cost money, and the minister may not have enough money in the surplus to meet these needs. Nevertheless, another piece of social security that is a must is a national health plan. At some time in some way during this session an effort should be made to enable people across this country to secure medical attention at a nominal cost. The standards of medicine are high in this country, and we have many centres across Canada which are just as good as the Mayo clinic or other institutions in the United States. Personally if I required an operation of any kind I would not leave Halifax to have it performed, but thousands and thousands of Canadian people are unable to reach medical centres.

In my own community we maintain local medical institutions and on a panel basis we pay doctors in our hospitals, and this is true of many centres across Canada. It sometimes happens in small communities that one cannot get the attention which one requires, and some people must pay $1,000 to receive some attention in Halifax or elsewhere. Local hospitals today are going further and further into debt and their equipment is becoming more and more out of date. These hospitals expect that something will be done on a national basis, and they are not going out on drives to build up their resources because they believe a national health program will come into being, and I think it is essential at this time.

I believe the greatest relief the people of Canada could receive at this time would come if the government took the bit in its teeth and established a national health plan. I do not think it could be done under the formula laid down at the last dominion-provincial conference, which stipulated that

six provinces must consent and Ontario and Quebec must join. It will not be done on such a basis. With the exception of the western provinces the other provinces have not indicated their willingness to come in, and I think another formula must be devised. Realizing the need for this type of legislation, the federal government should take it upon itself to work out a formula that would perhaps make it easier for the provinces to accept such a plan, and something should be done at this session of parliament.

If the minister will accept my advice he will bring about the social security measures I have mentioned rather than reduce taxes, which gives very little relief except to those who are in the brackets where greater taxation must be paid. Those who are earning $5,000 and more per year do not require relief to the extent that it is required by those in the lower brackets. After all, it is not the amount of tax you pay but what you have left that counts.

If the minister could find his way clear to using some of that surplus in the various ways I have described, in stepping up the social security measures and bringing about a national health program, then he would be doing something for which I personally, and I am convinced people right across this country, would commend him.

I believe my time has expired, Mr. Speaker, and I will close by saying I trust that when the minister brings in his budget I will be able to stand up and vote for it.

Mr. Harris: Mr. Speaker, may I ask the hon. member just one question. My recollection is that the party he belongs to has on other occasions advocated that we should increase the basic exemptions for married and single people to an extent which would more than dispose of my surplus. At this time I would like to ask him which he wants.

Mr. Gillis: I thought I was quite clear, Mr. Speaker, when I said that as far as I am concerned if the minister will use his surplus for the purposes I enumerated in my address I would be quite satisfied to leave the tax structure as it is.

Mr. Harris: All right.

Mr. H. J. Murphy (Westmorland): Mr. Speaker, I am pleased this afternoon to take part in this debate, and like many hon. members who have spoken previously I wish to congratulate the mover of the address in reply to the speech from the throne, the hon. member for Edmonton-Strathcona (Mr. Hanna), who is my seat mate, and the seconder, the hon. member for Gloucester (Mr. Robichaud) who is a colleague of mine from my home province, New Brunswick.

I am pleased to hear the news that the C.P.R. strike has ended and the men are returning to work. Coming as I do from a railway city, in this case a Canadian National Railways city, where we have about 5,000 railway employees working in and out of the locality, you will understand my concern and interest in this matter. I know the employees of the C.N.R. in Moncton will be pleased to hear that their fellow workmen are returning to their jobs.

Unlike the hon. member for Victoria-Carleton (Mr. Montgomery), who expressed his sympathy over the loss of a senator from his county, I wish to express my happiness on the appointment of a new senator from the county of Westmorland. We now have a colleague in Ottawa, although he is in the other place, who is an expert on agriculture. Mr. Taylor served as minister of agriculture in the province of New Brunswick for a period of approximately 17 years. I will feel more confident now when matters relating to agriculture come up. We have listened to many people from other parts of the country bringing up agricultural problems pertaining to the west, of which they had expert knowledge, and I feel now that we have someone from the east who will be of assistance to us.

Nearly every time I have spoken in the House of Commons I have talked about the Chignecto canal. It did not seem to arouse very much interest, but I am not going to let the opportunity offered today go by without mentioning it. I hope that with the continual repetitious reference to this matter the canal will some day come into being.

As hon. members know, the proposed Chignecto canal would be 18 miles long, connecting Northumberland strait with the bay of Fundy and crossing the isthmus which now connects New Brunswick and Nova Scotia. This canal has been a subject of discussion in this house for many years and was actively under discussion long before I came to the chamber. With the completion of the St. Lawrence seaway ships will still have to go around the province of Nova Scotia when headed for the United States, Mexico or South America.

I believe that some day the government of the United States, as well as the government of this country, will consider the building of this canal to be a security measure, as it would afford a sheltered route from ports on the east coast of the United States such as New York and Boston to United States ports on the great lakes. Ships would be able to go from New York, Portland and Boston

to Chicago and other lake ports and take on and discharge cargo both coming and going. I feel that some day this matter probably will be better presented and more publicity given to it nationally.

All hon. members from New Brunswick at some time or other have indicated in the house their support of this project. I believe the hon. member for Saint John-Albert (Mr. Bell) expressed it at a public meeting held in Saint John, but I have heard the rest of the hon. members express their support of this proposal in this house. This project was implied at the time of confederation, and was considered to be a confederation promise. I hope the promise will be honoured some day. If the hon. members from the maritime provinces would be as consistently insistent as western hon. members are in presenting their problems, I feel that this matter would receive the publicity and attention it deserves. I am not going to go into the matter at great length, but I do hope someone else will bring it up and tell the house more about it, and perhaps be more persuasive in putting the matter before the house.

I should like now to bring up a few matters concerning my constituency. Recently the Department of Fisheries announced that between $150,000 and $200,000 would be spent over a three-year period to restock and rehabilitate the oyster fishing beds of Nova Scotia and New Brunswick. It is my earnest hope that some of this work will take place in the Northumberland strait, or parts of the Northumberland strait adjoining Westmorland county, and in that part of Kent county which adjoins Westmorland county. I appreciate that as far as coastal waters are concerned there is no real boundary between counties. A few years ago this area produced many good oysters, and I would be pleased if the Minister of Fisheries could give details of the work to be done in the rehabilitation and seeding of the oyster beds, as this would be of benefit to the different districts in the province of New Brunswick.

In connection with the fishing industry I should like to refer briefly to the conveniences and facilities for fishermen in the way of wharves and dredging which have been provided, and to express my appreciation to the Minister of Public Works and the department for the new wharf recently completed at Emily's point at Shemogue. This project has been needed for some time and was built during the summer and fall of last year. It will fill a great need of the fishermen in that area.

Last year I referred to the need of extensions to certain existing wharves. Representations have been made to me on many occasions by fishermen along the coast of Westmorland county from Barachois to Cape Tormentine, setting out the need for wharf extensions in that area in order that they may be better able to land their fish. During the summer a great amount of dredging was done in many small harbours, and this enables fishermen to bring their boats in to unload at the wharves.

However, there are a few wharves which still require to be extended because of the increased fishing industry, and I would ask the Minister of Public Works to consider carefully the representations made by fishermen for increased wharf facilities at cape Bald, Dupuis Corner, Robichaud and Kouchibouguac river. These extensions are necessary because of the increased volume of business.

While I am speaking of wharves, I should like to direct the attention of the Minister of Public Works to the need for improvements to the wharf at Point du Chene. Years ago this was the terminal for the ferry operating between New Brunswick and Prince Edward Island, before the Cape Tormentine-Borden ferry was started. Besides being used by fishing boats, this wharf is used by sea-going vessels engaged in the pulpwood export trade.

On motion of Mr. Murphy (Westmorland) the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: We shall continue with this debate on Monday and Tuesday.

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

HOUSE OF COMMONS

Monday, January 14, 1957

The house met at eleven o'clock.

CANADA ELECTIONS ACT

AMENDMENT TO REDUCE VOTING AGE

Mr. H. R. Argue (Assiniboia) moved for leave to introduce Bill No. 7, to amend the Canada Elections Act (age of voters).

Mr. Knowles: Explain.

Mr. Argue: The purpose of this bill is to amend the Canada Elections Act to reduce the eligible voting age from 21 to 18 years.

Motion agreed to and bill read the first time.

INTEREST ACT

AMENDMENT TO ESTABLISH MAXIMUM RATE

Mr. H. R. Argue (Assiniboia) moved for leave to introduce Bill No. 8, to amend the Interest Act.

Mr. Knowles: Explain.

Mr. Argue: The purpose of this bill is to place a limit of 12 per cent per annum on the interest, carrying and other charges that may be made by companies engaged in lending money, instalment sales, automobile financing or any other such financial transaction.

Motion agreed to and bill read the first time.

CANADIAN WHEAT BOARD ACT

AMENDMENT TO EXTEND EXPIRY DATE

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved for leave to introduce Bill No. 9, to amend the Canadian Wheat Board Act.

An hon. Member: Explain.

Mr. Howe (Port Arthur): The purpose of this bill is to extend the expiry date of the act by a further five years.

Motion agreed to and bill read the first time.

UNITED NATIONS

PARLIAMENTARY OBSERVERS—ALLEGED REQUEST TO SIGN DECLARATION RESPECTING SECRECY

On the orders of the day:

Mr. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs in connection with a recent request made of parliamentary observers from Canada to the United Nations assembly in being asked to sign a declaration to the effect that they would be bound by the Official Secrets Act or intimating the need for such a declaration being signed. I brought this matter to the attention of the minister the other day and he has looked into it. In view of all the circumstances I would ask him whether a decision has been made that the discretion of members of parliament, having regard to the oaths they take as members of parliament, is of itself sufficient to absolve them from being obliged to make such a declaration.

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, as soon as I heard of the procedure which had been proposed at our delegation to bring to the attention of these members of the delegation, including members of parliament who had not taken an oath under the Official Secrets Act, the requirements of that act, I looked into the matter. It was also brought to my attention by my friend the Leader of the Opposition. I have written to him on the subject to the effect that while the intention of the officials concerned was, in my opinion, a laudable one so that members would know what were the requirements under the act, nevertheless the procedure which was adopted was, I think, regrettable as it might conceivably give rise to the impression that some limitation was being imposed on their freedom of action in the House of Commons when they returned from the delegation.

That, of course, has never been the intention of the government and I think the hon. members of the opposition party who have been at the United Nations assembly meetings will agree that there has been no suggestion that a limitation of that kind should be imposed on any member of the delegation. I think it is desirable that all members should be informed of the requirements of the act. However, the procedures adopted for this purpose were, as I have said, regrettable and I have given instructions that they should not be followed.

HEALTH INSURANCE

INQUIRY AS TO FEDERAL GOVERNMENT PROPOSALS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare, whom I am sure we all welcome back to Canada. In view of the fact that only three

provinces have agreed to the health insurance proposals made by the federal government last year, is consideration being given to improving those proposals so that at least six provinces might see their way clear to agree to them in order that this country might soon take some steps in connection with national health insurance?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, if there could ever have been any evidence of my hon. friend's interest in these matters, that has now been provided, and it is that the hon. gentleman does not give me even an opportunity to catch my first breath. Nevertheless, I may say to him that the matter of the hospital insurance proposals is one which, during the time that I have been absent from the country, has not been without full attention on the part of the government and indeed of some of the provinces. I hope that before too many days are out we shall perhaps be able to make a further observation in this connection. I think the proposal is basically so constructively wise that it does not need the suggested changes proposed by my hon. friend.

Mr. Knowles: May I ask a supplementary question? Can the minister say whether the government of any province which is Liberal in character has shown any interest in agreeing to the proposal?

Mr. Martin: Practically every government in Canada has shown interest in the proposal.

OIL

PRICE INCREASES—BLOCKAGE OF SUEZ CANAL

On the orders of the day:

Mr. Colin Cameron (Nanaimo): I should like to direct a question to the Minister of Trade and Commerce. In opening may I state that he may not have received a copy of the question I sent him in time, and if not perhaps he would accept this as notice of the question. In view of the fact that only 15 per cent of petroleum imported into Canada for refining comes from the Middle East, is the government considering taking action to make sure that the blockage of the Suez canal is not used as a pretext by the oil companies to increase the price of crude oil and refined products, as has been done in some parts of the United States?

Right Hon. C. D. Howe (Minister of Trade and Commerce): The oil that comes into the eastern part of Canada comes largely from Venezuela and from the United States. Only a small part of our requirement comes from the Middle East. The prices of the product are prices fixed in the United States, and the question of whether or not further Middle East oil is received in eastern Canada will have no bearing on the price of the product.

PENSIONS

REQUEST FOR INCREASE IN PENSIONS OF SUPERANNUATED FEDERAL CIVIL SERVANTS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Minister of Finance if he has had time, since the end of the session last August, to give further consideration to the plight of superannuated civil servants, particularly those whose pensions are in the lower brackets? Will something be done to improve their position in the near future?

Hon. W. E. Harris (Minister of Finance): We have considered the question of superannuated civil servants and their pensions at some considerable length, Mr. Speaker, and have had discussions with various groups of persons who would be interested in it, including a deputation from the superannuated civil servants themselves. I do not want anyone to conclude from this that any action is imminent because these things are only announced in due course, if they are announced at all.

SHIPPING

REGULATION OF MOTOR PROPELLED CRAFT ON INLAND WATERS

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I should like to direct a question to the Minister of Transport, which he may take as notice. In view of the fact that at the last regular session the standing committee on railways, canals and telegraph lines approved a proposal for the regulation of motor propelled craft on the inland waters of Canada, have any steps been taken to draw up these regulations or have any conferences been held with operators of motorboats in connection with this matter?

Hon. George C. Marler (Minister of Transport): As I am not in a position to answer the question now, I will take the question as notice.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Friday, January 11, consideration of the motion of Mr. R. F. L. Hanna for an address to His Excellency the Governor General in reply to his speech at

the opening of the session, and the amendment thereto of Mr. Diefenbaker, and the amendment to the amendment of Mr. Coldwell.

Mr. H. J. Murphy (Westmorland): On Friday last when the house adjourned, Mr. Speaker, I was speaking about wharves and in particular the wharf at Point du Chene in Westmorland county. This wharf was used as a terminal for the Prince Edward Island ferry and is now used by fishermen and by exporters in the pulpwood business. However, since the war shipping to and from the ports has not been as great. One of the reasons for this is the channel. I feel that some dredging should be done in the channel, to a depth of at least 18 feet, so ocean going steamers will not have to leave Point du Chene harbour and complete the loading at some other port in New Brunswick or Nova Scotia. I ask that this wharf be maintained and that dredging be carried out in the very near future.

I should like now to speak of some of the matters that are brought to my attention, sometimes very forcibly, by my constituents. One thing about which I am going to speak is television. Last year I spoke about television, and perhaps I was not very complimentary about some of the programs.

This year I should first of all like to start my remarks on television by complimenting the television section of the Canadian Broadcasting Corporation on some of the fine programs they have for children, and some of the shows they put on at other times. I also wish to say that the local television station, CKCWTV, which has 22 hours of live broadcasting, is doing a wonderful job in the southeastern New Brunswick area. They do a lot of community work. The news service is quite good, as are also the children's programs and live shows.

I am going to criticize some of the television productions or shows, and in particular I am speaking of the arrangement of time of the Canadian Broadcasting Corporation television broadcasts. In the constituency that I represent we can receive three stations very well, and in some instances more. These stations are in Saint John, Charlottetown and Moncton. During the week program time is allotted for Canadian Broadcasting Corporation production. One program is called "C.B.C. Folio". In the month of December, starting at 9.30 at night, "C.B.C. Folio" came on and continued until eleven o'clock, the very choice part of the listening evening. During the programs I received many telephone calls complaining about the type of program. I am not saying that the programs should not be shown, but the people in my district do not like to get such a large dose of one type of program at one time.

Take ballet. About three weeks ago we had 90 minutes of ballet right in the middle of the evening. I know there are people who are very fond of ballet but there are people who are not, and many people called me up. They were annoyed that they should be subjected to 90 minutes of ballet. They would call me and ask me if I was watching the program and ask me for my opinion of "those long-haired nut boys cavorting around in tight, long underwear" for an hour and-a-half. I could not say very much one way or another except that some people like this type of program. The answer I would get from my constituents was, "Why, certainly some people like it and they should be able to see it." They would go on and tell me that they liked wrestling, boxing or mystery shows, but this type of program that the minority of viewers liked was put on at a later hour after the news, at the time of the late show, and I think probably the ballet lovers could do the same as other people and have their favourite program 90 minutes long at some other time rather than in the middle of the evening.

The next week it was opera that lasted the same length of time. There are many people in my riding who like opera, but there are just as many who like other types of programs that are produced locally or by the C.B.C. Some like the old time music; some others like choral music produced by the choirs we have in our section. I would like to point out that in New Brunswick we are not lacking in fine music. We have St. Joseph's University choir, a group known as the Westmorland singers, and the Notre Dame Convent choir. These are all splendid choirs but when we view them on television their appearances last only for a short period of time.

I understand that everybody is now culture conscious and I believe that over a period of years a Canadian culture will evolve. I do not think, however, we are a people who want to absorb culture in large doses, nor do I think this will in any way contribute to the evolution of a distinctive Canadian culture, and therefore I am making the suggestion that the time of C.B.C. productions on stations in New Brunswick be revised, that a second look be taken into the matter. I know something can be worked out.

Last year the radio listeners in New Brunswick complained that they could not get the national league play off hockey games which were broadcast elsewhere. Hockey is the national sport of Canada and is enjoyed

by most Canadians. I took up this matter with the department and I am told listeners in Moncton, Westmorland county and in New Brunswick generally will be able to hear the national league play off hockey games this year.

We all enjoy comedy on television and radio but I think it is sometimes carried a little too far. I am not being thin skinned about anything in connection with the government, but recently I watched a C.B.C. television program which attempted to review in broad farce the events of 1956. In this farce a parliament in China was depicted. At the opening of the program headlines from all the big Canadian newspapers such as the Montreal *Gazette* and the *Globe and Mail* were shown and they all related to the pipeline debate. It was obviously a parody of the pipeline debate held in the House of Commons last year. The next scene opened in the parliament of China in the third century and the debate taking place there concerned the building of the wall of China by the trans-Canton wall company. The procedure was similar to that which occurred in the pipeline debate here last year. The leader of the government in this production was Mr. Ho and the leader of the opposition was Mr. Doho. The mace was replaced by a crow.

I believe in the freedom of the press and certainly many cartoons appear in newspapers which poke fun at the government and parliament, but when parliament votes money to a crown corporation I think the corporation should undertake to use the time to better advantage. I am suggesting the public's money could be better spent than ridiculing and showing disrespect to parliament and the symbol of the crown.

I would ask that a second look be taken at the television productions of the C.B.C. before they are released. If they want to speak to me in private I can point out many objectionable features in their productions. I would also ask that the allocation of time on the private stations carrying C.B.C. programs be arranged so we would have a choice and not have three or four stations in an area carrying the same type of program simultaneously. As I said previously, I am not contending that they should not produce these programs. I am saying, though, that we are not all "egg heads"—we are not all high intellectual types who can stand two or three hours of ballet. I think that since we are paying for this we should have what we like. The minority groups should be able to enjoy their types of programs at suitable hours.

[Mr. Murphy (Westmorland).]

Another matter that I should like to bring up, though very briefly because several of my colleagues will be dealing with it more extensively, is an agricultural matter. When I was home between the sessions I attended a meeting of agricultural association in my district—it is called the W. A. K. E. Federation of Agriculture—and at that meeting agricultural problems were discussed. In particular they asked me to bring to the attention of the government for discussion and consideration the question of the importation of powdered dairy products from Australia and New Zealand, and to suggest that the older tariff regulations set some time ago be reconsidered and, if it was thought advisable—that is to say if it would not disturb export and import balances—that another look be taken into the tariff regulations between Australia, New Zealand and Canada.

In my concluding remarks I would like to mention the Gordon commission. I have not read the whole of the report but I have read that section which deals with the Atlantic provinces. There are some things that I am very pleased to read in it and there are others with which I do not, perhaps, agree. I certainly would not agree with the movement of the people from the province of New Brunswick or the maritime provinces to other parts of Canada. We in New Brunswick and in the maritimes went there because of conditions in other countries similar to those which the Gordon report now describes—low incomes, famine or the fact that landlords could make more money by turning the tenant farmers out and raising sheep. We came to New Brunswick 100 years ago or more, and now we are told we should move on again. But I believe that if conditions in the maritime provinces continue to go ahead as they have been, and this report shows that the economy of New Brunswick and the maritime provinces is rapidly catching up with the rest of Canada—the percentages are given and are rising by leaps and bounds—with continued and increased government assistance such as we have had since 1935, by 1980 or earlier our maritime provinces will be on a par with the rest of Canada and perhaps on their way to surpassing the rest of Canada.

There is one paragraph in the Gordon report which I should like to read into the record because it sums up conditions there so well. That paragraph is on page 104 and it deals with the establishment of the army camp at Gagetown, New Brunswick. It reads:

> The establishment of the army camp at Gagetown, New Brunswick, will undoubtedly result in very substantial benefits to that province in the years to come. There may be a number of other matters which, while of relatively lesser importance, might be handled in a way which would help one or other

of the Atlantic provinces. To begin with, it is suggested that a greater measure of decentralization of government purchasing policies would be beneficial to local areas. This might be particularly true in the case of New Brunswick and Nova Scotia where the defence forces have considerable establishments. Similarly, if it should prove possible to place a greater number of defence orders with manufacturing concerns in the Atlantic region without substantially adding to costs, the resulting benefits might more than justify the additional effort and perhaps inconvenience involved. Then too, as previously suggested, if the railways were able to work out their purchasing program more evenly over a longer period this would be of great benefit to the car manufacturing industry in Nova Scotia and help to stabilize employment in that area.

That is a very fine paragraph. The establishment of Camp Gagetown has already resulted in benefits to the province of New Brunswick and I believe that if the policy and the suggestions of the Gordon report, as set out in that paragraph, were carried out there would never be any need for the movement of people from New Brunswick to other parts of Canada. With that, Mr. Speaker, I would ask that the maritime provinces and the province of New Brunswick be given special consideration this year by my government. Thank you.

Mr. G. R. Pearkes (Esquimalt-Saanich): Mr. Speaker, may my first words be those of congratulation to the mover and seconder of the acceptance of the speech from the throne? I was particularly interested in hearing of the development of the city of Edmonton which was described in the speech of the proposer. My next remark must be that of satisfaction that the rail strike has been solved for the time being. The whole country has been seriously disrupted and communications with the main line of the Canadian Pacific Railway came to a standstill during the time the strike was in progress. One thing that I believe everybody will be wondering is why, if it was possible last Friday for the government to impose certain conditions both on the company and the firemen's union, similar action had not been taken a couple of weeks ago. Why was it necessary to subject the country to all the inconvenience we had to go through when a temporary solution was apparently such an easy matter to bring about? Surely, if a little more energy had been displayed on the part of the government, that strike could have been averted altogether or at least postponed, as perhaps it is being postponed now, until next October. After all, this is only a temporary solution which has been reached. The strike was a great inconvenience to the people of this land and I feel that more resolute action might have been expected from the government.

An inquiry is to be set up into the various aspects of the dispute particularly in connection with the diesel problem and the safety angle connected with the running of these diesel locomotives. A few weeks ago I had the opportunity of travelling in what is technically known as a Budd car, which is an ordinary passenger coach driven by a diesel engine, and I was invited to go into the cab of this coach between Nanaimo and Victoria. I was surprised to find that there was only the engineer in that cab; there was no fireman, no front end brakeman, and yet this coach was carrying 60 or more passengers and was travelling at a high speed, in some places at well over 60 miles an hour. It did seem to me that that engineer was in an extremely lonely position, shut in by closed doors from the rest of the coach, and that he had difficulty in observing both to the right and to the left. He was sitting on the right-hand side of the coach and was able to see with some ease cars approaching on the right—there was a large number of level crossings—and he could see the signals given to him, but when passing stations and signals on the left and any cars approaching from the left-hand side his view was obstructed. I do suggest that when this board carries out its investigations it should not limit its inquiries solely to the freight and yard engines but that consideration should be given to advisability of having just one man in the cab of the Budd passenger coach.

Living on an island, as we do, we are not so much concerned with the railway as we are with other approaches. Our railways are limited and they are in the main used for the conveyance of logs and lumber to the seaboard. From the seaboard exports are taken by vessel to all the ports of the world and it is the development of the ports and the means of getting our produce off the island, and the means of bringing people to the island to enjoy the holiday resorts of Vancouver island, that concern us rather than the actual operations of the railway.

I do not think that in the whole history of Vancouver island in the last 75 years has the provision for the movement of the residents of the island to the mainland has been so inadequate as it is today. The service between the southern portion of the island and the mainland of British Columbia is extremely poor despite the fact that the traffic available justifies a much better service than is being provided at the present time. If one wishes to leave the city of Victoria in order to catch the fast train, either the C.P.R. or C.N., out of Vancouver the next day, one has to take the boat overnight from Victoria and remain the whole of the following day in

Vancouver. Alternatively you have to drive 75 miles up to Nanaimo and take the ferry across from Nanaimo. There is no direct connection between the Canadian Pacific boat service between Victoria and Vancouver which avoids a long delay in order to make connections with the fast trains to the east. Exactly the same thing happens on the return journey. The last time I went back to my constituency I had to take the ferry to Nanaimo and drive 75 miles to Victoria.

For many years recommendations have been made by various bodies that greater facilities should be provided somewhere on the Saanich peninsula so that a fast passenger and freight ferry service could operate all the year round between some port in the southern end of the island and Vancouver. Recommendations were made as long ago as 1913 that a breakwater should be constructed at the village of Sidney, at the northern end of the Saanich peninsula. If that harbour were developed it would be quite possible for vessels plying out of Vancouver to land their passengers at Sidney and they would then have to drive rather less than 20 miles to Victoria, thus saving two hours on the trip.

The harbour is exposed during the winter to high winds and surf from the southeast and some form of breakwater is required in order to make it suitable for all-year service. Ministers of the crown have visited the harbour but have done nothing about its development after their visits. This is not merely a local problem, it is one which concerns the whole economy of Vancouver island. One of the main industries of Vancouver island is the providing of accommodation for tourists who visit the island at all times.

The increase in the number of tourists coming to Vancouver island is demonstrated by the figures indicating the number of passengers and vehicles which have been transported to the island at Sidney from the state of Washington in the United States. During the summer months the Washington state ferries operate a service and in 1953 they carried 42,884 passengers; in 1955 that had gone up to 67,216 passengers, and last year up to August 31, they had carried 83,853 passengers. The number of passengers coming to Sidney from the state of Washington has doubled in three years. The same increase has occurred in the number of vehicles carried. In 1953 the Washington state ferries carried 13,532 vehicles whereas last year up to August 31 they carried 26,765.

That is an indication of the travel between the United States and Vancouver island. The same development would be possible if facilities were provided for a fast ferry service between Vancouver and the southern part of the island. There is a customs port at Sidney and last year 1,300 United States yachts put in there to clear customs. The only accommodation they had was a float approximately 150 feet long. I have seen vessels lined up five and six deep waiting for better accommodation. The Minister of Public Works (Mr. Winters) was out there a year ago and looked over the situation. In a letter which he wrote he indicated that he recognized that there was a shortage of mooring space and stated that proper facilities could be provided for approximately $432,000. I hope it will be possible for some action to be taken.

There is another problem connected with transportation which was brought to my attention recently and this is the hazard created by overhead power lines particularly when they cross navigable waters. About six weeks ago I flew over and under some power lines which had been constructed recently by the B. C. Electric between Salt Spring island and Vancouver island. There were no markings whatever on the five wires which span Sansum narrows. You could not see the cables until you were almost on top of them and if my pilot had not known exactly where they were he might have been forced to alter course on very short notice. Some attempt was made to mark these lines by suspending spheres every 150 feet, but that did not prove adequate when there are low clouds and seaplanes are approaching the seaplane base at Patricia Bay.

I feel it is up to the Department of Transport to investigate this matter. This does not concern Vancouver island only because power lines have been placed across many navigable waters. A particular hazard is created when these lines are on the direct approach route to seaplane bases. The line I am referring to is on the direct route for planes coming from the north into the seaplane base at Patricia Bay, which is a recognized base. The Department of Transport must be aware of the danger and know that with the increased number of power lines being constructed all over the country this danger is increasing.

I believe that wherever possible these power lines should be submerged rather than hanging at not too great heights across navigable waters. If they cannot be submerged they should be clearly marked. I should think it would be possible to have some sort of flashing red light attached to these power lines.

To give some idea of the length and of the danger that there is, I should like to

give some instances. Over the Sansum narrows to which I referred there is a span of 5,753 feet. The highest part of the supporting structure on Salt Springs island is 900 feet whereas the lowest point in the sag of the cable comes down to 200 feet. Hence you have a diagonal cable running across that approach. But by no means is that the longest stretch there is. In Jervis inlet there is a span of 10,100 feet, and at many other places on the west coast there are other spans of cable which are more than 5,000 feet in length. So much for the question of transport.

I wish to say a word with regard to agriculture because I note that, according to the speech from the throne, a committee is to be set up to inquire into the better use of agricultural lands. We have some spots of extremely fertile land on Vancouver island but I suppose the majority of it would be considered as rather submarginal on account of the rocky condition of the soil. When crops are grown they must be rotated in just exactly the same way as crops are rotated in the larger agricultural districts. In the main our crops do not consist of cereals, such as wheat, oats and barley. They consist largely of vegetables, small fruits and flowers. Flowers are used as a definite rotation crop on a great deal of our land and every encouragement should be given to increase the yield and to facilitate marketing conditions in connection with our flower crop. In other instances where it is not possible to grow extensive crops outdoors, utilization is made of the land and developments are made for the improvement of our flower crop by the construction and operation of greenhouses.

Greenhouses are only assisting nature in the growing of the flowers. The flowers depend upon the soil which is placed in the greenhouse and on the amount of sun which they receive. Yet for some reason or another plants produced in the greenhouses or flowers cut in the open fields are regarded by this government as being manufactured articles and therefore a ten per cent sales tax is imposed on cut flowers which are sold. We believe that flowers are part of the general economy of our island and that they should be regarded as an agricultural crop, not as manufactured articles.

To show how ridiculous is the imposition of the tax, may I give this illustration. If an agriculturalist cuts holly off his trees for the markets in eastern Canada at Christmas time, he must pay a ten per cent tax on those holly berries which are shipped. If, on the other hand, he digs up a whole tree, wraps it up in burlap and sends it away he is not obliged to pay any sales tax at all on it. If somebody goes out and cuts boughs off a cedar tree for decorations or with which to wrap up flowers which are being sent across the country, he must pay a ten per cent tax on those cedar boughs. But there is no tax on Christmas trees which can be dug out and sold. The whole thing is full of inconsistencies and I think it should be carefully investigated.

Another important industry on our island is that of our fisheries. It is interesting to note what has been said in the Gordon report with regard to the fishing industry. One sentence which is found at page 36 of the report reads as follows:

> We are of the opinion that it will also be necessary for Canada to re-examine its doctrine of territorial waters . . .

This question of the distance over which Canada can control her fisheries has been brought very much to the fore in the last year. Owing to recent technical developments, both for the discovery of fish and for increasing the efficiency of catching fish, larger and larger vessels have been used. The result is that those larger and larger vessels move farther and farther out into the ocean. This year there has been evidence that fishing vessels with nets a mile long have been catching salmon far beyond our territorial waters. If that condition is allowed to continue and if no control is exercised in the catching of fish beyond our territorial waters, then we can predict the depletion of our salmon fish industry in the foreseeable future. It is of the utmost importance that in the near future steps be taken to find some method by which the catch of fish far out in the ocean is to be regulated.

I am pleased that in the speech from the throne there is an indication that the sockeye salmon treaty will be extended to include the pink salmon. Pink salmon are also now being caught farther out to sea than they were a few years ago. It is going to be a case of either extending control beyond our territorial waters or finding some other method of regulating the catch if our fish industry is to be preserved. As these larger vessels move farther and farther out to sea there is likely to be a concentration of the industry in various ports. Such large fishing centres as Vancouver, New Westminster and, farther north, Prince Rupert are replacing the old-fashioned, small fishing villages. At the southern end of British Columbia the fishing industry is mainly centred around Vancouver. It is there that the boats are registered and from where they commence their operations. They go far out to sea, and the approach to the Pacific ocean lies around the south end of Vancouver island. As more money is being

spent for the development of bigger vessels and more modern equipment, it becomes more and more important that safe harbours be provided. There is a shortage of safe harbour sites on the south coast of Vancouver island.

I am pleased that the Minister of Fisheries (Mr. Sinclair) has been carrying out some investigations as to the advisability of developing harbour facilities at Port Renfrew. I would urge that without any further delay a model of the approaches and water conditions in that island should be constructed. I have seen some of the models that have been made of Hecate strait, and it is undoubtedly an up-to-date method of deciding on the type of construction which should be undertaken. I hope it will be possible, even if some expense may be involved, to construct a large-sized model of the harbour of Port Renfrew in order that a decision may be made of the best type of structure to be built there so that a safe harbour may be developed for the fishing fleet which operates now so much farther out to sea.

In connection with the last point I wish to make I should like to endorse the remarks made by the hon. member for Lanark (Mr. Blair) a couple of days ago when he pleaded so earnestly that consideration be given to extending the war veterans' allowance to those men who served only in the United Kingdom during the first world war. I noticed that the Legion presented a brief to the government in November, and that they had introduced into the recommendations they have been making for a great many years on this point, the fact that a limitation should be imposed in that before a veteran could receive the allowance he should have served in the United Kingdom for at least one year. I think that is a qualification that should appeal to the Minister of Veterans Affairs (Mr. Lapointe) and should make it quite possible for the government to extend that war veterans' allowance to those men who, through no fault of their own, were retained in the United Kingdom during the first world war, and who have now reached advanced years and are in rather straitened financial circumstances, their power of earning a livelihood very definitely restricted because of age and disability. Now is the time when we can extend that war veterans' allowance to include those men who served in the United Kingdom only during world war I, provided that they served there for at least one year.

Hon. L. B. Pearson (Secretary of State for External Affairs): I should like in the first place, Mr. Speaker, to join very sincerely and warmly in the congratulations that have already been offered to the mover (Mr. Hanna) and seconder (Mr. Robichaud) of the address in reply to the speech from the throne, on the way in which they have discharged those important duties. Their participation in the work of the house and the contributions they have made to our debates, gave us every reason to believe that they would discharge these tasks with distinction and we were not, of course, disappointed.

A very considerable portion of the speech from the throne is devoted to external affairs, Mr. Speaker. This fact, as well as the fact that reference has been made to external affairs in the debate, will, I am afraid, make it difficult for me to discuss, as I would otherwise like to discuss, developments in the banner constituency of Canada. I need hardly say that I refer to Algoma East and the exciting industrial developments that are taking place there, especially in the field of uranium production.

So far as external affairs are concerned, Mr. Speaker, recent events, especially events in the Middle East, have emphasized to all Canadians the importance and the responsibilities of Canadian foreign policy, even in respect of far away areas where there may seem to be few direct Canadian interests but where the paramount interests of all in peace and war are often involved. These events have also brought about, not only widespread public discussion of the decisions that we have made and may have to make, but also a reassessment of the principles which have underlined our policies and the factors which influence them. It has, I think, Mr. Speaker, been confirmed, if confirmation was necessary, that our foreign policy must be Canadian, based on Canadian considerations, Canadian values and Canadian interests, the greatest of which, however, apart from freedom itself, is peace. But a Canadian policy, in this day and age, is not necessarily the same as an independent policy. There is no country in the world today, even the most powerful, which in the preservation of peace and security can afford the luxury of, or run the risk of, a policy of independence in foreign affairs, in the sense that independence means isolation from one's friends or immunity from the effect of their decisions and their actions.

We should not, of course, and we do not, automatically or unhesitatingly follow the policy of the United States or the United Kingdom or any other country. Nevertheless, we cannot, and I suggest we should not, make our own decisions and our own policies without being influenced by, without taking into consideration, the policies of the United

Kingdom or the United States or those of our other friends and allies with whom we are associated. No country is in a better position to appreciate the necessity and indeed, if you like, the opportunities of interdependence in the realm of foreign policy than Canada, situated as we are on the North American continent but being an active member, as we are also, of the commonwealth of nations, NATO and the United Nations and trying to play a responsible part in all those associations. We are, of course, a free and a sovereign state, but freedom and sovereignty do not mean for us, or for other nations, either isolation or immunity; unless we abandon all of our national and international responsibilities, and perhaps not even then. It seems to me evident, then, that Canadian foreign policy must be influenced by various factors which we can and indeed which we often try to modify, but which we ignore at our peril.

These principal factors, I suggest, are four in number. The first is our membership in the commonwealth of nations, four-fifths of the people of which are now Asian, 443 million out of 530 million. Action by any of the commonwealth nations which seems likely to foster and strengthen the ties which bind us together is almost certain to deserve, and certainly should receive, our support. The reverse, of course, is also often true.

In actual practice, there have been over the last 10 years or so since world war II very few international occasions when we have not been on the side of Great Britain; the centre of our commonwealth. But the rarity of dissenting occasions stems not from our automatic acceptance of the policies of Great Britain but from the fact in the vast majority of international questions our interest and hers have happily been almost invariably identical. When that does not happen we, of course, regret it deeply and we do our best to reconcile our differences without delay and without recrimination. We experienced such regret indeed to the point of distress when we differed, not perhaps in objectives but in methods and procedures, with the United Kingdom on certain occasions at the United Nations assembly meeting last autumn in connection with the Suez crisis. The commonwealth was indeed deeply split on that issue and our relief was therefore correspondingly great, a relief shared in full measure by the Asian members of the commonwealth, where the separation pressures were most intense, when this danger to the commonwealth was removed by the Anglo-French decision to accept the cease-fire resolution of the United Nations assembly. So the commonwealth association remains strong and close. The friendly, informal and frank exchange of views in a sincere effort to reach agreement on all matters of common concern goes on, and the commonwealth continues to play its invaluable and constructive role in today's troubled world; a role for which the whole world has reason to be grateful.

Mr. Churchill: Will the hon. gentleman permit a question? What nations of the commonwealth would have left the commonwealth had the British and French not abided by the resolution of the United Nations?

Mr. Pearson: There is evidence, strong evidence, which I and others have received, to suggest that if the fighting in Egypt between Anglo-French and Israeli forces and Egyptian forces had continued and if the United Nations assembly cease-fire resolution had been repudiated or rejected, the pressures in regard to separation from the commonwealth in certain Asian members of the commonwealth would have been so great that it would have been indeed very difficult to resist them. We have had evidence to that effect both from New Delhi and from Karachi.

Mr. Churchill: Has that not been denied by both Ceylon and India?

Mr. Pearson: This has been questioned, I believe, in Ceylon, including the Prime Minister. Mr. Speaker, I am giving my opinion on the basis of information which I have received from the highest authorities in the government of India. I am not suggesting, Mr. Speaker—and in my earlier statement on this I think I made it clear in the house I did not suggest—those pressures affected what we sometimes call the old members of the commonwealth, but they certainly did affect those new members which, as I have just said, constitute four-fifths of the population of the commonwealth.

It seems to me that this commonwealth association, which all its members wish to preserve, to be of enduring value must strive for the widest possible areas of agreement between its members. It seems to me also that the limits of such areas, though not often expressed, may be pretty clearly discerned. Whether or not we speak of it, there are certain fundamental things that unite the governments and the peoples of the commonwealth: freedom, personal and national; parliamentary democracy and the supremacy of the individual over the state. There is also a certain basis of morality in political action to which commonwealth members are by tacit consent expected to adhere. Such a basis can easily be disregarded, on the other hand, by those who do not share our commonwealth beliefs and our ways of doing things. They have, for instance, often been and are being

disregarded by the Soviet union in Hungary; but the barbaric luxury of this type of conduct is not open to us. Indeed, it is completely foreign to us and that is one reason, perhaps a main reason, why we can and must work together in the commonwealth. It is more important than ever for us at this time to strengthen within the commonwealth our will to work together in defence of these principles; for very significant events are now about to occur in the commonwealth as significant perhaps as those which took place 10 years ago when India, Pakistan and Ceylon became members.

We often also, Mr. Speaker, speak of the commonwealth as a bridge, as it is, between Asia and the west; and perhaps it would not be inappropriate at this moment if I expressed my own feeling of gratitude for what the Minister of National Health and Welfare (Mr. Martin), in his recent trip to Asia, has done to strengthen that bridge. If there is such a bridge, it has been made possible by the accession of India, Pakistan and Ceylon, which was in its turn the result of an act of constructive abdication by the United Kingdom in India in 1947. Now, this evolving process is about to shift to Africa. On March 6 next we shall welcome a new member into the commonwealth, the state of Ghana, at present known as the Gold Coast. It will be the first native African member, and its progress as an independent nation inside the commonwealth will be watched with great interest throughout Africa and Asia, and also in the west and by the Soviet union.

Ghana will probably be the first of a series of new members to emerge from the continents of Africa and Asia. It may be that by 1960 and 1962 the commonwealth will include also Malaya, Nigeria, the Federation of Rhodesia and Nyasaland, and nearer home the Caribbean federation.

Thus the process of what I might call creative withdrawal continues to the special credit and indeed to the glory of the heart and centre of the commonwealth, the United Kingdom. As has been said, "The smaller the empire the greater the commonwealth." New nations arise from former colonial territories to take their place among the free democracies of the world. As an older member of the commonwealth Canada is proud, I am sure, to assist in welcoming these young countries, as they attain independence, to our growing family and to assure them of our friendship and our support.

A second factor influencing Canadian foreign policy, Mr. Speaker, is the United Nations, now going through a testing period that will have far-reaching effects on its future as an organization effective for the promotion of international peace, security and justice.

It should, I think, be clear to us that so long as we try to discharge our obligations we have accepted under the United Nations charter we must by that fact accept some limitation on our complete independence in international affairs. There are now 80 members in the United Nations assembly with widely varied resources, traditions and political experience. The assembly's decisions, which are, after all, merely recommendations and not laws, although this is sometimes forgotten, necessarily involve a great deal of give and take. We cannot expect always to have our own way on matters which are decided by the wisdom, or if you like the unwisdom, of a majority of 80 sovereign states with differing interests, differing loyalties and unfortunately with different conceptions of peace and justice.

The activities of the United Nations assembly in recent weeks in regard to the Middle East have given us some ground for hope that the organization can be used effectively and swiftly in bringing about a cessation of hostilities, though it remains to be seen whether it will be as effective in bringing about a just settlement of the issues that brought about those hostilities. That will be for the United Nations a more important and I suspect a more difficult task. We can take satisfaction over what has already been done in the assembly, but recent developments have raised in our minds some questions regarding its future and I want to mention one or two of these.

In the first place, Mr. Speaker, we have become more aware than we were previously of the gap between responsible and irresponsible membership; between the membership of those democratic countries such as the United Kingdom and France who are loyal members of the organization and as such take heed of its recommendations and those totalitarian despotisms such as the Soviet union which treat such recommendations with contempt when they cut across their own national policies.

This has led to a demand in some quarters that somehow or other the United Nations assembly should take action to enforce effectively its own recommendations. This of course ignores the fact that such compulsory enforcement procedure through the assembly is not in accordance with the terms of the charter as drafted; and also that resolutions that may be passed by an irresponsible majority in the assembly may be such that we ourselves would find great difficulty in

accepting them and the enforcement of which we would in certain circumstances resist.

Mr. Diefenbaker: What does the minister mean by irresponsible?

Mr. Pearson: Well, I mean by exercising the right of membership in an irresponsible fashion against the principles of the charter which was accepted by all members. This leads to another question which causes some anxiety in our minds, and that is the growing tendency in the assembly, which is of course facilitated by the one-state one-vote principle, and regardless of the powers of state, to force through, by sheer voting strength, resolutions that are impractical and at times quite unreasonable. In reverse there is the power of a minority of one-third plus one to prevent reasonable and useful resolutions of the majority which we may consider ourselves to be both practical, reasonable and desirable.

Therefore, Mr. Speaker, in a very real sense the effectiveness of this unique instrument for the preservation of peace, the United Nations assembly, rests with a majority of small nations now operating at least to some extent in blocs. If the group veto or the bloc veto in the assembly, irresponsibly exercised, replaces the single-power veto in the security council, the larger body will soon become as futile as on so many occasions the smaller body has become. I suggest therefore that each member of the assembly has now a greater duty than ever before to exercise its rights with a clear and unprejudiced understanding of their implications for the future of the organization and for international peace and security. If they do it in that way they will be showing a sense of responsibility.

The need for a constructive and moderate approach to complex political and economic problems without which the general assembly will not be able to function effectively and may not even survive can be illustrated, this is only one illustration, by the attitude taken by some members of the assembly to what are called the colonial powers. Incidentally, those who use that term at the United Nations often exclude from its meaning the greatest colonial power of all and the one which exercises that power in the most arbitrary and tyrannical fashion, the Soviet union. The old colonialism is disappearing inevitably and, if the process is orderly, desirably; but that is all the more reason why those countries which still have direct responsibilities for non-self-governing territories should not be made to feel at the United Nations or elsewhere that they are oppressors to be deprived arbitrarily of their rights or indeed their reputations. The actual fact is that these countries for the most part have been leading participants in the great twentieth century experiment of bringing national consciousness and self-government to peoples who have never known them before.

There is another danger, Mr. Speaker, which faces the assembly of the United Nations, the tendency to forget that while the world organization can perform and is performing, as I see it, an indispensable role it is no substitute for the national policies of its members. It reflects those policies, it influences them, but it rarely creates them. I think it is wrong, even dangerous, to suggest that it does or to try to replace the necessity of hammering out wise and constructive policies among one's friends merely by a resort to high-sounding moral platitudes at the assembly. As Mr. Dean Acheson put it the other day, "Nothing more comes out of the United Nations than we put into it."

I think it is also wrong to rely on United Nations decisions only for a particular area or a particular situation. It should be remembered that if governments are to use the United Nations when they consider it in their interest to do so, and ignore it on other occasions when they find it a less convenient instrument for their purposes, the organization will be very greatly weakened indeed and will be open to the criticism of being merely an agency for power politics. I am not suggesting that these things have happened at the United Nations but I am suggesting that we should watch carefully to see that they do not happen.

Recently the assembly took a very important step indeed in extending its functions into the field of security after the security council itself became powerless in that field through the exercise of the veto. I refer, of course, to the emergency force which was set up to supervise and secure a cessation of hostilities. Now, Mr. Speaker, the immediate value of this force which now numbers, incidentally, about 5,500 of whom over 1,100 are Canadians, in respect of the specific emergency which brought it into being has I think been well established. Its continuing value in helping to bring about and maintain peaceful conditions and security in the area in which it operates remains, of course, to be proven. I myself think it should be of a great value for this purpose also, provided it remains genuinely international in control, composition and function, and providing also that its limitations are recognized, especially that it is a voluntary organization which must act strictly within the terms of resolutions which are only morally binding and which must be

passed by two-thirds of the assembly in each case. But even within these limitations the United Nations force can, I think, play an important part in bringing about an honourable and enduring political settlement in the Palestine and Suez area.

We have been discussing the possibilities of such a settlement with friendly governments in recent weeks and it seems to be the general view among members of the United Nations that the present atmosphere, charged as it is with fears and suspicions which have been exacerbated by recent armed conflicts is not at the moment conducive to the kind of discussion and negotiation which would have to precede such a settlement. I think perhaps we have to accept that position. But if, however, the passions and the bitterness of fighting must be given time to recede, that does not, as I see it, mean we can safely sit back and let nature take its course. There may be some reason for delay; there is none for indifference or for indefinite avoidance by the United Nations of a responsibility which is escapable: to make peace in the area, without which the cease fire would not have any permanent value.

While the political climate of the Middle East is maturing toward the time when conditions will be more appropriate for a comprehensive settlement it is essential, I think, for the countries of the region, and indeed for us all, that there should be no return to the former state of strife and tension and conflict on the borders; that security should be maintained and, indeed, guaranteed. I suggest that for this purpose there will be a continuing need during the period until a political settlement is achieved for the stabilizing international influence that the emergency force is now exercising. And this essential stabilizing role might well require the continuing presence of a United Nations force along the boundary between Egypt and Israel; perhaps also for a time in the Gaza strip and, with the consent of the states involved, along the borders between Israel and her other Arab neighbours, though that of course would require a further resolution from the United Nations assembly.

Mr. Fulton: What about the Suez canal itself?

Mr. Pearson: I will be coming to that in a moment.

It seems to me that some such United Nations supervision might help to ensure the security of the nations concerned which is so vital if they are to approach with the necessary confidence negotiations toward a comprehensive solution of their conflicts.

[Mr. Pearson.]

Not only, Mr. Speaker, in my view, must the borders be made secure betwen Israel and her neighbours; so must freedom of navigation through the Suez canal and in the gulf of Aqaba. As the canal will soon be open to traffic again it is, I think, very important indeed to press on with discussions which have already begun at the United Nations so that the control of the operation, maintenance and development of the canal will be in accordance with the six principles agreed on at the security council last September—I think it was last September. Events since that time, far from weakening the validity of these principles, have strengthened that validity and I think it is now more important than ever that the operation of this essential international waterway be—and I quote from one of these principles—"insulated from the politics of any one nation" and that the United Nations recognize and confirm that fact.

This is a problem which is right on top of us at the United Nations assembly now, and it must be solved satisfactorily or there will be further trouble in that area. It is obvious of course—I think it is obvious, though I wish it were not—that the Soviet union will do its best to prevent such an agreed solution on terms satisfactory both to the users of the canal and to Egypt. Moscow has already shown that its policy is to trouble these waters and to fish in them.

Looking further ahead, the experience of the United Nations in respect of the Suez crisis, especially the necessity for hasty improvisation, underlines, I think, the desirability and the need of some international police force on a more permanent basis. We have recognized this need in the past. We have expressed that recognition at the United Nations and elsewhere as recently as in the General Assembly before the recess and we have done all we could to translate that necessity into reality, but for one reason or another it has never been possible for the United Nations, except in the special and limited cases of Korea and the Middle East, to have armed forces at its disposal; the reason for that I will not go into at this time.

Mr. Fulton: Would the minister permit one question before he leaves the subject of Suez? Is it the view of the Canadian government that the United Nations emergency force should be assigned a stabilizing role in connection with the Suez canal?

Mr. Pearson: Well, Mr. Speaker, there are possibilities for that if such a role is needed, but if there is agreement between the users of the canal and the government of Egypt which would in its turn provide for a satisfactory means of resolving the dispute over the

use of the canal it might not be necessary for any outside United Nations force to be present on the canal while that agreement is in effect. I think the best thing to do is to wait and see how these discussions work out.

This present emergency force in the Middle East is a unique experiment in the use of an international police agency to secure and supervise the cease fire which has been called for by the General Assembly. Why should we not, therefore, on the basis of this experience—the experience we have gained by the operation and establishment and organization of this force—consider how a more permanent United Nations machinery of this kind might be created for use in similar situations as required?

What the United Nations now would seem to need for these limited and essentially police functions is perhaps not so much a force in being as an assurance that members would be prepared to contribute contingents when asked to do so, to have them ready and organized for that purpose; with some appropriate central United Nations machinery along the lines of that which has already been established for this present emergency force.

The kind of force we have in mind would be designed to meet situations calling for action, intermediate if you like, between the passing of resolutions and the fighting of a war, and which might incidentally have the effect of reducing the risks of the latter. It would not, however, as I see it, be expected to operate in an area where fighting was actually in progress; it would be preventive and restoratory rather than punitive or belligerent.

It is not possible to determine in advance what would be required in any emergency, but surely members through the proper legislative processes could take in advance the necessary decisions in principle so that should the occasion arise the executive power could quickly meet United Nations requests for assistance which had been approved by it. In doing so we would be making at least some progress in putting international action behind international words.

The third factor that has a bearing on our independence in foreign policy is NATO, our membership in which gives us, not only the assurance of a strong and collective defence if we are attacked but, even more important, is our strongest deterrent against attack. Since I last had occasion to speak on foreign affairs in the house a NATO council meeting of very considerable importance has taken place in Paris.

Mr. Diefenbaker: Before the minister goes on to the next question. He has mentioned the need of a strong force under the United Nations and has expressed the hope that the day would come when that force would be able to carry out the resolutions or directions of the United Nations. What has the minister to say with regard to President Eisenhower's recent announcement that having regard to conditions in the Middle East there is a necessity for the establishment of a United States force to operate there in the event that aggression takes place. Has he taken any stand on behalf of Canada with relation to that announcement?

Mr. Pearson: I was going to say a few words about that if I could bring them within the 40 minutes of my time.

An hon. Member: We will give you more.

Mr. Pearson: I shall be coming to that later. The NATO council meeting, to which I have just referred, took place in Paris from December 11 to December 15. Ministers from each of the NATO countries met in Paris. My colleague the Minister of National Defence (Mr. Campney) and I represented the Canadian government at this meeting. In addition to the annual stocktaking of NATO's defence plan and the approval of a directive for future military planning, secret of course, which took into account both economic and atomic capabilities, we had what we considered to be useful discussions of the general international situation, particularly on the impact on the alliance of developments in the Middle East and eastern Europe.

In these discussions we devoted more time than usual to political developments outside of what is described as the NATO treaty area. That merely reflected the increasing awareness of the NATO governments that the security, stability and well being of an area like the Middle East, to quote one example, is essential to the maintenance of world peace, which in turn is the matter of primary concern to the NATO members.

A significant aspect of this recent meeting was the evident desire on the part of all members to strengthen the non-military side of NATO; as we increasingly realized that relations between the western alliance and the Soviet have become a contest in terms of political judgment and action; of economic and industrial power, and not merely a contest in military strength. Having said that, it would be unwise not to add that it was recognized at our council meeting that events in Hungary and the use of naked military force there by the Soviet union, which use might have had far-reaching effects; these events have underlined the absolute necessity of maintaining also our military defensive

strength as we become more and more preoccupied with the political and economic aspects of the struggle. As has been said by so many people so many times, we have to continue to do both.

It was to these problems of non-military co-operation confronting the alliance that the committee of three report addressed itself. That report, which has been made public, was submitted to the council and its recommendations were accepted by the council members. Apart from maintaining defensive military strength the most important need of the NATO alliance in the present circumstances is for the development of common policies, as essential to that unity which is important as strength itself. The committee of three report recognized this, also that new institutional arrangements or organizational changes or changes in structure would not in themselves meet this need.

What is required, and this is easier to say than to bring about, is a sustained will and desire on the part of member governments to work out through consultation policies which will take into account the common interests of the members of the alliance. If that is not done and if national factors alone prevail in the formulation of policy, then the alliance will have great difficulty in surviving. Certainly it will not develop beyond a purely military arrangement which will disappear if and when the fears and emergencies of the present lessen and disappear.

The most powerful member of our NATO coalition, and as recent history has perhaps demonstrated the only one which now has the economic and military power to enable it to discharge fully truly world-wide responsibilities, is the United States. Within the last few days the administration in Washington has proposed to congress an increased acceptance of those responsibilities in the Middle East in what is called the Eisenhower doctrine.

I do not think it would be appropriate for me to discuss in detail a proposal of the United States government which is now before congress and concerning which differences of opinion have already appeared, but I think I can say without impropriety that the ideas behind this doctrine are welcomed by this government as evidence of the increased interest of the United States in the Middle East in terms of both defence and economic aid for the development of the area. It seems to me important that those two things go together there as elsewhere.

Mr. Dulles, in quoting the President's declaration to a congressional committee, has warned, and I think the warning is a good one, that no single formula will solve all the problems in the Middle East and that there is no single panacea for them. Nevertheless it is quite obvious I think that those proposals have very important implications which have been very well put in my view by the Washington correspondent of the Winnipeg *Free Press*, and I quote from one of his articles as follows:

> The American government, once congress has given its expected approval,—

Or perhaps as I should say "if congress gives its expected approval."

> —will be committed to a solemn and unprecedented obligation in the Middle East. It will be pledged to use force if necessary to protect that region from Russia or from any state responsive to Russia's pressures.

Then Mr. Freedman went on to say this:

> That is the ultimate commitment. There can be none greater. It has been defined in this challenging form to prevent Russia from believing that the eclipse of British and French influence allows it to bring the Middle East under Moscow's control.

Mr. Stewart (Winnipeg North): May I ask the hon. gentleman a question at this point?

Mr. Pearson: Yes.

Mr. Stewart (Winnipeg North): Does that doctrine not suggest there is a danger of by-passing the United Nations?

Mr. Pearson: I do not think so. However, I shall have a word to say about that matter also. Indeed, I am coming to that point now. It has been said that the principles and the procedures envisaged in this doctrine are the same as those which prompted Anglo-French intervention in the Suez crisis last October. But I doubt whether that deduction will be borne out by the text of the presidential declaration which contains the following points, and some of these bear on the particular point raised by my friend the hon. member for Winnipeg North: (1) any assistance against aggression would be given only at the request of the state attacked; (2) any obligation to give such assistance is restricted to overt aggression by any nation controlled by international communism; (3)—and this is of some importance—any measures taken must be consistent with the charter of the United Nations and with any action or any recommendations of the United Nations; and I take it that would mean either positive or negative action by the United Nations.

Mr. Green: May I ask the minister this question? Does that mean that action is taken first and then the United Nations acts afterwards or just what does it mean?

Mr. Pearson: I think I had better stick to the wording of the declaration. You know what happened in the case of Korea, Mr. Speaker. Certain action was taken by one

member of the United Nations. But within half an hour or an hour, I forget which—within a very short time—the matter was referred at once to the security council and this action was before security council for confirmation or otherwise.

Mr. Green: That is only because Russia was absenting herself.

Mr. Pearson: True, confirmation was received only because Russia absented herself from the security council. But we now have a procedure which, when action is vetoed in the security council, the assembly can be called together within twenty-four hours and the matter referred to the assembly, as was done indeed last October.

The fourth point is that the measures to be taken or envisaged would be "subject to the overriding authority of the United Nations security council in accordance with the charter".

Then, Mr. Speaker, I think I should also point out—and this is of some importance—that the declaration does not deal with conflict between non-communist states in the Middle East nor does it deal with communist subversion brought about by non-military means.

Welcome as is this indication of the acceptance by the United States of a direct and immediate responsibility for peace and economic progress in the Middle East, even more welcome to a Canadian would be the full restoration of close and friendly relations between London, Paris and Washington in respect of that area, and the strengthening of their co-operation generally.

Perhaps we in Canada are particularly conscious of the desirability and the need of this result. For that reason I think we would all want to give particularly wholehearted support, especially at this time, to one sentence from President Eisenhower's state of the union message last Thursday when he said this:

> America, alone and isolated, cannot assure even its own security. We must be joined by the capability and resolution of nations that have proved themselves dependable defenders of freedom. Isolation from them invites war.

I think it is hardly necessary to add in this house that no people in the world have proved themselves more "dependable defenders of freedom" than have the British.

Co-operation in the commonwealth of nations, in the United Nations and in NATO—all this—is important, indeed essential. But nothing is more important in the preservation of peace and the promotion of progress than is an enduring and solid friendship as the basis for co-operation and unity between the United Kingdom, France and the United States. The recent NATO council meeting in Paris—and this may have been almost its most important achievement—began the process of restoring and strengthening that co-operation after the strains and interruptions to it brought about by the Suez crisis. It is essential that this process should continue.

We now have a great opportunity to profit from the unhappy experiences of the recent past by taking steps to ensure that those experiences will not be repeated.

Perhaps I should not close, Mr. Speaker, without at least mentioning—and there will be time only to mention it—a fourth factor which bears strongly on the formulation and execution of Canadian foreign policy. I refer to the fact that we are a neighbour of the United States on the North American continent.

On our relations with the United States my colleagues and I have often spoken over the last few years. I think we have made it abundantly clear that our acknowledgement of the United States as the inevitable and indispensable leader of the free world does not at all imply automatic agreement with all its policies. I have even been told by some of my friends below the line that we have a tendency to make this fact almost unnecessarily clear. On the other hand, it seems to me to be difficult to imagine a really critical situation in international affairs, one which involved final questions of war or peace, on which we should be likely to diverge very widely from the attitude of our neighbours. If we had to, for Canadian purposes, we would certainly be in a most uneasy position. For us in Canada, therefore, to formulate and try to follow foreign policies which do not take into account the closeness of all the ties which link us—and must do so—with the United States, would surely be nothing but unrealistic and unprofitable jingoism. The time when we can comfortably enjoy this particular form of national indulgence seems to me to have long since disappeared.

In our relations, then, with the commonwealth, with the United Nations, with NATO, and with the United States, we have the fullest liberty to propose, to persuade, to advise, to object; and this liberty I can assure you, Mr. Speaker, we have used and shall use whenever a Canadian interest requires it. We will not, however, be using this freedom for the benefit of our country if we try to secede or weaken from our international commitments or if we try to ignore or take away from the geographic and economic facts of life on this continent. Membership in the international association to which we belong undoubtedly brings us nationally very great

advantages in terms of security and progress. The national advantages are, however, coupled with international responsibilities. I think, Mr. Speaker, that Canada's record in the discharge of those responsibilities over the years has been a good one and I am sure it will continue to be so.

Mr. Nesbitt: I want to take a moment of the time of the house, Mr. Speaker. There are a lot of questions we would like to ask the Secretary of State for External Affairs (Mr. Pearson), but we can ask them another time. There is one question I should like to put to the minister and it is this. Was it generally foreseen that because of the terms of what I believe was called the uniting for peace resolution, which was passed about a year ago by the United Nations general assembly, that the resolutions passed at the United Nations general assembly on November 2 and November 7 last, which were based on the former resolution would be clearly placing the Egyptian president in a position to dictate to the United Nations with respect to the emergency force?

Mr. Pearson: Perhaps I could just try to answer that in a word. When the uniting for peace resolution was passed by the assembly, as my hon. friend may know, two committees were set up by the assembly to follow up the question of uniting for peace through the appropriate machinery. Canada was represented on one of those committees. At that time we did try to make provision, and made proposals to that effect, for some permanent United Nations police machinery which would be available for the kind of emergency which took place last October. This was not possible and, therefore, though we may have at that time foreseen the kind of emergency which we had at the end of last October, I am afraid we did not do very much to be in a position to meet it.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, before making the remarks which I propose to make I should like to associate myself with those who have congratulated the mover (Mr. Hanna) and the seconder (Mr. Robichaud) of the address in reply to the speech from the throne. I think this is more than just a pleasant piece of politeness. I believe it indicates something which is quite basic in our parliamentary practice and which has been referred to in these very often quoted words of Churchill who said, "The things that unite us are greater than the things that divide". Also, I think it is part and parcel of another thing which is essential in our parliamentary life, namely, a kind of sense of sportsmanship which does not often desert us, and which, when it does desert us, causes difficulties. I think ordinarily we have the feeling that, as I said, we can afford to be polite to each other, usually, because of the fact that the things that unite are greater than the things that divide.

I had no idea when I put together my thoughts to express today that I should have the honour of following the Secretary of State for External Affairs (Mr. Pearson). I had, in fact, determined to base my remarks on that paragraph in the speech from the throne which did have a passing reference to the commonwealth and I do not propose to be diverted from that except that I shall try to comment on some of the remarks made by the minister with particular reference to the commonwealth.

I want to read the paragraph which refers to the commonwealth:

> Visits to Canada in the last few weeks by the prime ministers of Ceylon and India have been conducive to a renewed strengthening of the bonds which unite the peoples of the commonwealth in their constant aim to co-operate in the pursuit of peace, liberty and progress.

Now, I suppose I ought to be grateful for two reasons that Mr. Nehru and the prime minister of Ceylon were here; if they had not been here we might not have had any reference to the commonwealth at all in the speech from the throne; and it is interesting to have them here, too, because of the fact that in the case of Nehru he represents hundreds of millions of Asians. We are reminded of this fact incidentally, in the article by the Right Hon. Mr. Nutting in the Montreal *Gazette* when he pointed out the other day that our great task now is to make friends with the teeming millions in what he called the "uncommitted world".

I find the words I have read from the speech from the throne very disappointing. There is nothing in them which suggests any action, and that is my criticism of the pleasant words used by the minister this morning in speaking about the commonwealth. "The visit is conducive to a renewed strengthening of the bonds". There is not very much suggestion of action there.

I suppose something had to be said about the commonwealth because of what happened in this chamber last November. A great many of us remember with great regret the words

used by the Prime Minister on November 26 when he said, as reported at page 20 of *Hansard*:

> The era when the supermen of Europe could govern the whole world has and is coming pretty close to an end.

We remember not only the caustic words but the caustic tone which he used, and perhaps it was not surprising that before the session ended on November 29 the Prime Minister thought it wise to temper those caustic words in what I can only call a speech of repentance. It seems to me repentance; I think it was repentance. I quote briefly from the Prime Minister's words at page 174 of *Hansard*:

> While I am on my feet there was something I did wish to say, which I think was expressed in some of the remarks of the hon. member for Kamloops and other hon. members and is summarized in a paragraph of an editorial in the Ottawa *Journal* of today. It reads:
>
> "Canada should have but one major goal for its foreign policy these days, more important even than the doings of its troops in Egypt: that is the immediate improvement of commonwealth relations, of Anglo-American-French relations—but the greatest need of all is the reuniting of the principles and policies of the British and American governments".

That is the end of the quotation from the *Journal*. The Prime Minister goes on:

> I had intended to take the opportunity of saying that had been the goal we have been pursuing ever since the first of these resolutions came before the United Nations, to work toward what we regard as almost essential for the peace and security of the free world; that is to say, the reliance on commonwealth relations and the reuniting of this alliance in an effective way between the United Kingdom, France and the United States; something that has, I think, been of immense value and without which there would be a void that would cause all of us deep anxiety.

In these words of the Prime Minister there was some warmth, some suggestion of action, but when we come again to read these tepid, lukewarm words in the speech from the throne there is no suggestion of warmth or of action. It is, as I say, a tepid, lukewarm performance.

I do not propose to refer at any great length to the speech of the Secretary of State for External Affairs. One might say of it "good sentences, and well pronounced," in his reference to the commonwealth. I do not feel that I can quarrel much with what he said; they were fair words. But what one wants to know is what is going to be done. Is there any sign of action? And, also, I cannot rid myself entirely of the wonder whether the Secretary of State for External Affairs is so completely North American, is so completely engrossed with his dealings with Washington, that he finds it impossible to take very seriously the affairs of the commonwealth. We remember when, some years ago, he came back from a meeting at Colombo with the other commonwealth nations and announced that he had been there as a "dollar gadfly." A gadfly is a not very co-operative form of insect. I understand what he meant, of course, is that he had been there, the only member representing a country not in the sterling bloc, and that he had been at pains to outline the special views of Canada as a non-member of the sterling bloc.

I wish to refer just briefly to another matter which troubles and perplexes me because of the fair words the minister uses about the commonwealth. He delivered some lectures at Princeton a year or more ago and I intend to read from page 95 of this book of lectures. I am also going to refer to an editorial reviewing the book in the Queen's University *Quarterly*. The reviewer says in brief:

> One very puzzling aspect of Mr. Pearson's . . . discussion is that there is only one mention of the commonwealth of nations.

That is, in this whole book of 120 pages or so. The reviewer goes on to say that while there are frequent references to the Atlantic triangle and our allies as represented by the Atlantic triangle there is only this one reference to the commonwealth of nations. As a matter of fact, the reference is introduced in rather curious words, almost words of apology. This was originally delivered as a lecture at Princeton University and I am now quoting from page 95 of the book of lectures:

> Before leaving this subject of understanding between systems of society and civilizations, I would like to mention—and it can be only to mention—the unique role which may be played in this matter by the commonwealth of nations of which Canada is privileged to be a member. Its value as a bridge of understanding between the west and Asia and Africa is very great in this age of suspicion and strain where there are few such bridges.

Well, I do not quarrel with those words; indeed, I rather welcome them. I would go back again to ask, however, whether we find any evidence of action as described in these fair words and in particular whether this paragraph which I have read suggests action or any approach to action. I find myself disappointed and indeed there are other things too which disappoint me. If we think back to the time when the Prime Minister (Mr. St. Laurent) returned from the commonwealth conference last summer we will recall that he had very little to say about what had taken place. He said they had not had to deal at any length with the affairs of the commonwealth itself because they did not

really need attention. His exact words as reported at page 5764 of *Hansard* for July 9, 1956 were:

> Problems of the commonwealth, as such, did not require very much attention.

It is quite true that the conference had discussed various other matters but we could get very little satisfaction from the Prime Minister because, as he said, "The problems of the commonwealth, as such, did not require very much attention". Those were the words of the Prime Minister on his return on July 9 last and when the then leader of the opposition, and the present Leader of the Opposition (Mr. Diefenbaker) too, asked whether there was any indication of our taking the initiative in calling a future meeting the answer was in the negative.

In view of what has happened in these last few months I think the question arises again as to whether we can take the lead. If times were normal one could better tolerate a passive attitude, but the times are not normal. In the morning paper we read a remark of Mr. Chou En-lai of China who has been hailing the Russians as the leaders of the communists in the world and referring to the rest of us as "the enemy". I think the question arises as to whether we do or do not take these things seriously. If we do not, that is that; but if we do, then I suggest again that no proper steps are being taken to give the commonwealth the scope which it might have.

I wish to refer to Mr. Nutting's words in Saturday's *Gazette* in which he refers to the Anglo-American bridge. There are all kinds of bridges being referred to these days. He said:

> First I want to set forth some general ideas on the basic problems that face our two countries.
>
> Our survival depends on whether we can make friends not with communism but with the millions of the uncommitted world. That is the simple life and death issue which faces us, how do we approach it?

I come back to the paragraph I read from the speech from the throne and ask whether it means anything at all. Do the fair words of the minister this morning mean anything at all? Do they indicate any function for the commonwealth or do they just give it a blessing? Do we regard ourselves merely as members of a club or are we members of a live organization that is able to play its part?

The commonwealth has a special role among free nations and I want to read a sentence from an extremely interesting lecture delivered not long ago in Britain by Sir Oliver Franks, who has this to say about the commonwealth. Franks, you will remember, was the British Ambassador in Washington for some years and he gives rather an amusing picture of his arrival in these words:

> The nations of the commonwealth are free and equal: they are all sovereign states. This was impressed on me the very first day I arrived in Washington. There was a group at the station to welcome me. It included the chief of protocol from the American State Department, British Embassy staff, and seven commonwealth ambassadors. I suddenly realized that there were already six representatives of His Majesty in Washington, as well as the Indian ambassador whose government recognized the King as head of the commonwealth. From one point of view, and it was a real one, I was the junior ambassador of His Majesty in the United States.

At page 21 he says:

> The strength and vitality of the commonwealth does not lie in the separation of its members from their neighbours. It is not that sort of exclusive club. It is its nature to reach out, not to retreat like a snail into its shell. Rightly conceived, the connections of interest and policy which each commonwealth nation enjoys with its neighbours are a source of strength to the whole, not of weakness. They contribute to the effective working of the commonwealth because they increase the understanding and the influence of each member in its region. And between them the members cover five continents of the world.

Its members, one might say, have a dual role. Australia and New Zealand are part of Southeast Asia and they are also part of the commonwealth. Canada is part of the commonwealth but is also part of North America. Britain is part of the commonwealth and also part of Europe. India, Ceylon and Pakistan are part of Asia and also part of the commonwealth, and today we were told of other eastern nations that will shortly be coming into the commonwealth as well. We remind ourselves that in addition to the commonwealth there is NATO about which we hear so much and there is also ANZUS; that is the Pacific organization comprising Australia, New Zealand and the United States. It is still in existence and it continues to function although we do not hear nearly so much about it as we hear about NATO.

Having another look at the commonwealth we observe it is not a bloc. It is spread all over the world separated by large tracts of sea. As someone has said so aptly, "By its very existence it says to the world, 'Don't just be American or European or Asian or African, but something more than that. Be world-wide.'" It has something more in common than the sharing of a continent and it can bring the continents together.

I wish to read at greater length from what the minister said in his Princeton lecture. At page 95 the following words appear:

> I would like to mention the unique role which may be played in this matter by the commonwealth of nations . . . This is a loose but intimate association which includes in its membership nations from each of the continents. Its value as

a bridge of understanding between the west and Asia and Africa is very great in this age of suspicion and strain where there are few such bridges . . . The strength of the commonwealth lies precisely in the undefined but genuine recognition by its members of the value to each of such an association with the others and of a common interest in the preservation of a system which includes us all.

I repeat that these are fine sentiments and are well expressed but the question which continually arises in my mind is that of action. Now the circumstances of the moment of course, in view of what has happened during these last months, suggest more than ever the strengthening of the commonwealth. Let us be frank. Britain has taken a knock, but do not let us forget 1940. A lot of people were ready to write her off then but we all remember the magnificent recovery which was made and I believe it will happen again. I do not think those 50 million brave and able people are going to play any second-rate part in world affairs. Their country is not as big or strong as the United States, of course, but I do not think they can be relegated to any second-rate role.

I have been discussing, particularly, political considerations up to now and those were the only considerations which the minister (Mr. Pearson) discussed this morning. That is one of the things that disappointed me—he said nothing about anything specific; he gave no indication of any function which the commonwealth could exercise at the moment; and yet it seems to me, there is a matter of vast importance spread before our eyes now and that is the question of whether Britain is going to join a free trade bloc of nations in Europe. Speaking of this possibility the Winnipeg *Free Press* says:

This is a bold design, if it is ever effectively translated into practice—through a transition period of perhaps ten years and more—it will recast the structure of world trade.

I am amazed that the minister said nothing about that this morning. I would have thought he should be particularly alive and alert to that situation. But there is no word, as far as I know, of any commonwealth conference being held this year, as has been requested. I can only hope it will take place this year because it seems to me it has now got something important to get its teeth into.

I am going to read a short piece from the London *Economist's* Canadian representative because he has things to say about this free trade prospect that I think we should bear in mind:

Canada must be concerned and disappointed that the free trade area as now envisaged by the British government puts paid to all hopes of expanding the exports of Canadian manufacturers to Britain. It is not comforting to hear British ministers brush off—as Mr. Macmillan has done—the "mere ten per cent" of present Canadian exports which would be affected by the plan.

It is true our manufactured exports are only ten per cent. Then the correspondent goes on to say this:

Most of the ten per cent consists of semi-fabricated goods like paper of various kinds, chemicals—whenever import licences could be obtained—and some synthetic fibres. All of them benefit from substantial preferences. If the quota restrictions can be overcome, the tariff has been favourable. All these commodities represent the fractional beginnings of what Canada has always hoped might develop into considerable lines of trade.

Later the article goes on to say:

Some of the most important products concerned, moreover, have been things like chemicals where Canada is establishing new domestic industries to which even a limited export market was of great importance. When therefore Canada is invited to give up all preference on its manufactured goods as against Europe, the reluctance stemmed chiefly not from attachment to the present ten per cent of exports but rather from the shattered dream of the exports that might have been.

Those are serious words used by serious men and yet no reference of any kind has been made to them today by the minister. It is quite true, when facing this situation that we must remember that Canada would have a special problem in any negotiations because of her status as a dollar country, but that does not mean the problem should be ignored; it merely means that it is a challenge to statesmanship.

If we lose vital contacts with the commonwealth we shall fall more and more into the orbit of the United States and increasingly lose our individuality; we are finding out what that means to an ever-increasing degree.

I have tried to make a case on the political side and in practical matters of trade. If the case is as strong as I have indicated, why are we not more forthcoming? I think there are two reasons, among others. I sometimes wonder if we are as forthcoming as Australia and New Zealand. I do not think we are. First, for example, I noted that the minister of external affairs in his book containing the Princeton lectures had occasion only once, in those lectures, to mention the commonwealth and even then rather apologetically. Is it because we are so dominated by the U.S.? Then there is, apparently, another reason which I mention particularly because I think it is so wrong, and that is the feeling that close association with the commonwealth will somehow lessen our position as an autonomous state. I think that is so wrong, and yet it presents the danger of driving a wedge between the two founding races in our country. Yet I believe that if we would consider it carefully we would find there is

nothing in this point at all. I wish in this connection to quote briefly from three of the great voices of the past who have spoken on this subject—Sir John A. Macdonald, Sir Wilfrid Laurier and Sir Robert Borden.

Sir John Macdonald, speaking on February 20, 1890, in this house in a speech which concerned the rights of the French language, said:

> I appeal to all our friends in this house, without reference to party, to forget what may be an inconvenience when they go back to their constituents on both sides; to forget that for a moment, and to merge everything in the great desire to make Canada, French and English, one people without any hostile feeling, without any difference in feeling, further than that which arises from the different literatures and the different strains of mind that run always in different races and which sever the Scotsman and the Irishman from the Englishman as much as they sever the Frenchman from the Englishman. Let us forget this cry and we shall have our reward in seeing this unfortunate fire which has been kindled from so small a spark extinguished forever and we shall go on as we have been going on since 1867 as one people with one object, looking to one future and expecting to lay the foundations of one great country.

And now I wish to quote words from Sir Wilfrid Laurier which interested me particularly, partly because of the place in which they were uttered but also because of their intrinsic merit. When Sir Wilfrid was at the diamond jubilee in 1897 shortly after he became Prime Minister, he had occasion to visit Paris, and speaking in Paris he said this:

> In passing through this city, beautiful beyond all cities, I have noticed upon many public buildings the proud device that the armies of the republic carried through Europe—Liberty, Equality and Fraternity. Very well: all that there is of worth, of greatness, of generosity in that device we have today in Canada, that is our conquest. We have liberty absolute, complete; more complete—pardon my national pride for the affirmation I am making—more complete than in any country whatsoever in the world. Liberty for our religion, liberty for our language—liberty for all the institutions which our ancestors brought from France and which we regard as a sacred heritage. Equality is ours. What other proof of it could I give you than this? In this country, where the majority is of English descent and of the Protestant religion, the last general election have brought to power a man of French descent and Catholic religion, who has always strongly affirmed his race and religion. Fraternity is ours. There is with us no domination of one race over another. . . .
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> If in becoming subjects of the British crown, we have been able to keep our ancient rights and even acquire new ones, upon the other hand we have undertaken obligations, which, descended as we are from a chivalrous race, we recognize in full and hold ourselves in honour bound to proclaim. . . . That double fidelity to ideas and aspirations quite distinct, is our glory—Canada. We are faithful to the great nation which gave us life, we are faithful to the great nation which has given us liberty.

I quote briefly from Sir Robert Borden, who was quoted by the Prime Minister himself the other day at the ceremony in connection with the unveiling of Sir Robert's statue. This is an extract from a speech given before the Canadian Bar Association in 1929:

> On the whole there has been an honourable and wholesome co-operation of the two races in the upbuilding of Canadian institutions and in the development of the heritage with which Providence has endowed the Canadian nation. The pioneer races are and they always will be distinctive but in their origins they are much nearer to each other than either seems to imagine. It is desirable to emphasize their points of sympathy and contact rather than their divergences of temperament and outlook.

I have quoted these words; I have reminded the house of the decisive part which the commonwealth played in two wars. I have indicated the enormous potential importance of commonwealth influence. I have pointed out its widespread ramifications and its influence everywhere in the world. I have reminded you that notwithstanding the autonomy of its component parts it has always been able to act together in crises. I have emphasized the need of unity of heart and purpose at home. I have quoted the great voices of the past.

I come back again to the urgent hope, the urgent demand that somehow or other this commonwealth will be able to play a greater part. I believe we have been soft pedalling. I feel it has not done what it should. I feel that the proximity of Washington and our constant contact with urgent problems which may arise there have perhaps served as an excuse but not as a reason for soft pedalling the work which the commonwealth can do and the services it can render. I believe that the services it can render are perhaps greater than ever before.

We have been well described as constituting a bridge between the east and the west, but in a sense we are also a bridge between the United States and the United Kingdom. That gives us a dual role, but it should not lead us to soft pedal the one because the claims of the other can so easily become insistent. Surely this all adds up to the conclusion that we should not be content with these tepid half-hearted words. I do hope that we shall have an indication that the real intention of the government is not expressed by these words and that we shall have action which will be much more reassuring than those faint and stumbling words which I have read.

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, I believe that it is in accordance with our parliamentary traditions that one who has had the experience I have had in the last 63 days should at the first opportunity make a report to his colleagues in the House of Commons in a general way and through this house to the people at

large of an experience which has been certainly for me of great value, and which I would like to think will prove to be of value to the country and to the assignment I was asked to undertake. Without having had an opportunity of preparing the headings under which I propose to speak I hope on this account I shall not be less effective in giving the house some of the information and some of the impressions which I gathered during my trip to South and Southeast Asia.

I was asked by the Prime Minister and my colleagues in the government to represent Canada at the consultative meetings on the ministerial level of the Colombo plan which were held, beginning on December 4, in Wellington, New Zealand and at the same time to take advantage of that long journey to visit some 13 countries in South and Southeast Asia with which Canada has not had as great contact in the past as have many other nations whose history and period of existence is longer than our own.

So on November 11 I journeyed first to the Philippines and from there to Indo-China to Viet Nam, Cambodia and Laos. I am the first Canadian minister of the crown to have had the privilege of going to Indo-China at any time, certainly since the setting up of the three international supervisory commissions which operate in those three countries in that historic part of Asia. From there I went to Indonesia and then to Thailand; from there to Australia and to New Zealand for the Colombo plan meeting. Then back to Sydney, that great city in Australia, and on to Canberra for consultation and talks with the prime minister and members of the government of Australia.

Afterward I journeyed to Singapore, to Malaya, to Ceylon, to India and Pakistan, and then back home.

In all of these places I had the opportunity of discussing matters with the head of every state where the head of the state is actually the chief of government. In those countries where the prime minister is the head of the government or, as in the case of Singapore and Malaya where the chief minister is the head of the government, I had the opportunity of conferring and talking with these latter persons on matters of mutual and world interest. Likewise in every country I had the opportunity of valuable talks with all the foreign ministers but one and with my opposite numbers in the field of health and welfare. I should like now to thank all of those governments for the opportunities which they provided me as a member of the government of Canada to discuss with them problems of common interest and of international concern.

It is I know difficult to draw conclusions from what one has seen and heard. It is possible sometimes to formulate too readily impressions which one has gathered particularly in a continent like Asia with its millions of people, more people than are to be found anywhere else in the world, more in the two countries of China and India than in all Europe and all the Americas together. The overriding impression I gained is that in the formulation of policy which has to do with the peace of the world, with the relations of one state with another, we ought in the assessment we make of other peoples' conduct and actions, of other governments' policies, to seek to understand the circumstances and the context in which those policies are formulated and projected. That certainly is true of Asia.

Canada has consistently sought to express to all nations its friendship and understanding. It has not received in return the kind of collaboration and appreciation that one would sometimes think it should receive from certain quarters. But as between Canada and India, for instance, there has been, during the past half decade at any rate, a close understanding and a disposition on our part to appreciate the significant and potential role and actual role which that country can play in Asia and in international affairs generally.

In spite of that, and although I in a modest way at the United Nations have from time to time been part of this desire to understand India, I must frankly say that I did say in India on several occasions that some of the attitudes taken in Asia did cause me personally at any rate on occasion to express some wonderment. In the light of this, with existing foreshadowings in terms of geography that confront that great nation and other Asian nations, I can well understand how important it is that each of us, officially and privately, try to understand the problems immediately confronting some of these countries and at the same time urge that there be reciprocal action on their part as to the reasons we in the west on occasion take the courses which, in our interests and in the interests of the world at large, from our point of view we regard as essential.

I neglected to mention that among the countries I visited was Burma, which borders on China, close to Indo-China and India. It is a country of 18 millions of people dedicated to the principles of a strong religious belief. It serves as a symbol in one sense, of the kind of forces that are at play in that great land mass we call Asia.

Wherever I went I sought first of all to affirm our friendship for these nations, and

to indicate to them that the Canadian government, regardless of party, and the Canadian people, disposed as they are toward building a peaceful world, had for them nothing but a desire of friendship and collaboration to the extent of their capacity. I also told them that, as a member of the commonwealth, Canada felt that that instrument had in its very concept the opportunity of providing not only for the good of its constituents but for the welfare of all nations in the world, in Asia as well as elsewhere, who are prepared to understand its good intentions and purposes. I also sought to indicate that while there had been differences between Canada and others in the United Nations on recent actions on the part of one member of the commonwealth, because of that difference, while it reflected the objective character of Canada's approach to international affairs as certainly the government saw it, there could be no justification for any nation believing that Canada did not have absolute faith in the character of and the purposes which, generally speaking, Her Majesty's government in the United Kingdom seeks to establish. I also sought to indicate that, because we were the closest neighbour of the United States with whom we did not always have full accord in matters having to do with problems affecting our two countries, we had, side by side, over 140 years, lived in peace; and that whatever may be the misgivings of certain countries about that nation it was my judgment, as one Canadian representing my government in Asia, that the basic foreign policy of the United States could only be interpreted as one directed toward the easing of international tension and the preservation of peace in the world.

I will not say that these interpretations were always acceptable but I thought that was the place to say these things, and I said them, I hope, in proper terms and in proper context; and I believe they were accepted as coming from a nation that has gradually built up for itself a reputation for an objective approach in international affairs.

Of course, in Australia and in New Zealand one felt that one was within, as it were, the family circle even though in respect to some matters of recent origin there have been honest differences of view. The position of Australia in this particular is well known. I had the opportunity of discussing these matters with Mr. Menzies, the Prime Minister of Australia, and his foreign minister and, indeed, on one memorable afternoon with all the members of his government. Mr. Menzies said of Canada that notwithstanding what may in particular instances be differences in point of view, one thing that the world could know of Canada was that it spoke as a member of the commonwealth in the light of what it understood to be its obligations based on no consideration but the good of the commonwealth and the good of all nations throughout the world.

In Ceylon, in India and in Pakistan, notwithstanding the fact that recent events have, understandably, caused a strain on certain relations I found that the situation there now —based upon my conversations with the three leaders, namely the Prime Minister of Ceylon, Mr. Bandaranaike, Mr. Nehru in India and Prime Minister Suhrawardy in Pakistan—is that there is on their part a recognition of the value of the commonwealth not only as a sensible grouping of nations in this interdependent world but as an instrument which can and is being used to interpret western opinion in many sectors of Asia. I believe that is an important fact to state and to remember. There may be dissident voices in some of these countries but my judgment would be that, for the most part, those who at the present time have to do with the conduct of government in those great countries recognize that in the consultations of prime ministers, in the consultations of commonwealth foreign ministers and in the collaboration that takes place in the United Nations, the commonwealth serves as a valuable instrument in a world that needs to move closer and closer together rather than diverge on an increasing scale.

I took occasion not only to discuss matters in accordance with the mandate given by my colleagues with those responsible for the conduct of government but to visit the people as well. I took occasion to go into their villages. Anyone who knows anything about the complex character of that great Asian state of India will understand what the village means to that country with its 360 millions of people, 80 per cent of whom live in the villages of which there are some half million which have the form, the character and the quality of centuries-old construction. I sought by going amongst the people to indicate, by manner and conduct, that it was the desire of the people of Canada that we should be friends with them, and as well with other nations in Asia, as indeed is the case with other countries in the world who are willing to accept our friendship.

There are some on this continent, and I suspect the same is true in other parts of the world, who possibly misunderstand on occasion a country like India; who sometimes feel that possibly India is disposed, because of its policy of neutralism, to give greater support to those who do not agree with the basic concepts of the free nations

of the world. I should like to say this at once. There is a great undercurrent of spiritual conviction in India, as there is in the case of most of the countries I visited. The religion of Buddha, the Hindu religion, the Moslem religion, the Christian religion, together with the natural instinct so many Asians have for a philosophical bent, in my opinion all these things make these countries an impregnable fortress against the possible encroachment of totalitarian ideals or programs.

Based on these facts and the talks I had in India with many members of the government, with one of them on five occasions and with another on four, I cannot believe that we are justified in suggesting that India would ever embrace dialectal materialism as it is projected to us frequently from the Kremlin or from any other source. This is an important consideration in the kind of world in which we live, where some time there may have to be a decision as to which form of society will prevail ultimately. I am satisfied that while there may not always be political affinity there will be what is even more important, a sort of spiritual affinity between these nations of Asia and the basic concepts of western civilization.

In addition there is another reason for the conclusions I reached. India, Ceylon and Pakistan are deeply dedicated to the democratic form of government and to the parliamentary process. There is no disposition there to accept as efficient or as possible a totalitarian form of government, suppressing, as ultimately that form does, the kind of freedom out of which political maturity can only grow. Of course, that exists in Australia and New Zealand, as it does here. I spend little time on this because it is taken for granted, although in some places on this continent it is not taken for granted that the kind of fundamentals which I have postulated are accepted generally in Asia. I can only say that my belief, and it is a strongly entrenched belief now, is that these principles are widely accepted in India, in Pakistan and in Ceylon.

The Colombo plan came into being in 1951 in Ceylon, in the capital of the country which was the first nation of the commonwealth in that part of Asia which I visited. I think I can say, whether or not we all agree on the extent of the contributions made, that having in mind that the old world extracted from the great Asian land mass much of the wealth of that continent in another day oftentimes for its own benefit, nothing is more salutary in our time, I believe, than the fact that now the western nations of the British commonwealth, in association with nations in Asia, have joined together for the purpose of promoting the improvement of the economic and social life of the people of Asia. It is a hopeful sign for the improvement of international relations between certain nations of the west and that section of the world that it should be possible for nations like Canada, Australia, New Zealand, Great Britain and the United States to share some of their skills and some of their resources according to their capacity with nations whose material standards of life admittedly are not as high as their own. I am firmly of the view that to the extent we follow this course we will be making an important contribution to the peace of the world.

I realize that one must be practical and realistic about the extent to which any nation can go. But, Mr. Speaker, I could not refrain from saying these things to this house, when I think of the hospitals I have visited, the maternity centres I have visited, the eye centres I have seen, the need for medical schools and hospitals and the like. I cannot help but feel that we, through the Colombo plan, are really making a useful contribution in the kind of assistance which we are able to give. I saw a doctor in Chittagong, in east Pakistan, only 10 days ago who had received his degree as an ophthalmologist at the University of Montreal under the Colombo plan. He was the only eye specialist in that part of the country. I saw before him some 300 cases of glaucoma that might have gone without treatment if it had not been for the fact that he had received training under the Colombo plan and in this particular case through Canada.

But one should not for a moment conclude that it is possible through a plan of this sort to take care entirely of the problem of reconstruction in a continent like Asia. The assistance given by the United States, and it is considerable, and by the other participating countries in the Colombo plan, and that assistance too is considerable, is marginal only. If there is going to be a satisfactory measure of reconstruction on the economic and social side in Asia, it will be largely due to the efforts that are now being put forward by the people of Asia themselves. This I clearly indicated to them when I said, on behalf of Canada generally, that our assistance as a Colombo plan power was made without any strings attached. It was not made for the purpose of effecting political alliances or of having them move from positions of neutrality to positions of protagonistic support. I said, what is the case, that our assistance—and I indicated we were not all agreed in Canada on what the measure of assistance

should be—was based upon a sincere appreciation that in this interdependent world our humanitarian obligations demanded of us to render some assistance to those nations and to these people.

While that is the case, I could not help but feel, particularly at the Colombo plan meetings, as I now visualize the political personalities who sat around the conference table, ministers representing every government of the Colombo plan group, that while we might have our differences in economic and social terms, every minister there represented governments that share with us common beliefs in the value of individual freedom, and share with us our view of the importance of the individual human being in his or her relationship to the state, and the belief that, inadequate as it sometimes may be, there is no more effective guarantee for the preservation of human freedom than governments composed of men and women chosen by the people to govern the nation; in other words, a common belief in the parliamentary form of government. And with those common denominators, together with the spiritual foundations, which I have already mentioned, I have no doubt, whether or not we belong to the same military alliances, or the same political grouping, that the vast majority of the nations of Asia with whom I had these contacts can be counted on in the long term to give their expression in support of a society based upon freedom and not on its suppression.

While there was concern in some places about actions taken in Egypt, there were strong denunciations about the aggression of the Soviet union in Hungary. I spoke on one occasion to the Indian council on world affairs. I do not know whether there were reports here of this meeting, but some critical comment was made by one or two individuals who interpolated questions at the meeting. I said in my remarks that there was a vast difference between the attitude of Great Britain and of France toward their obligations under the charter of the United Nations and the reaction of the Soviet union not to one but to 10 resolutions passed in the assembly against the aggression it perpetrated in Hungary. The difference in the two cases was that in the one there was an acceptance on the part of the charged parties, if you like, of the resolution taken by the United Nations and in the other a complete flouting of the resolutions passed by the United Nations. And that I regard as a matter of the greatest significance.

It would be wrong for me to overlook in this account the important work of the international supervisory commissions in Indo-China. Whenever I use the phrase "Indo-China" now I remember the correction made by a distinguished Australian who told me that I should no longer speak of Indo-China but rather of three countries in Indo-China. Indo-China is no longer a fact although at one time it did represent a geographical entity. Now there is no Indo-China but North and South Viet Nam, a nation in its undivided quality representing 20 millions of people; Cambodia, representing 3 million people; and Laos, a small nation representing 1½ million people. In each of these there is now a rivalry of varying dimensions for supremacy between competing interests.

The house will recall that the international supervisory commissions came into being not as a result of the action of the United Nations but of the accord arrived at in Geneva in 1954 by the great powers. Canada is represented on the three international supervisory commissions that exist in these countries. The chairman is a national of India and the third member is from Poland. If one wanted an example of the effectiveness of a United Nations paramilitary force in action to meet a specific ad hoc purpose one finds it in the three international supervisory commissions. Those three commissions have kept the peace in an area of the world that threatened us all, the house will recall, some two and one-half years ago. When those commissions will be able to finish their work I cannot say. Many Canadians are serving on these three commissions. I would like to pay a tribute, on the occasion of my return to the house, to the work of our fellow citizens who during the past two years, under the most trying of circumstances, have upheld the dignity and the honour of this nation.

It is difficult, I know, to translate one's feelings about a matter such as this, and I am not doing it to the extent that I possibly could if I were less fatigued and better prepared; but I would like the house to appreciate for one moment the significance of an international supervisory body that has its scene of operations away up in the mountains of Laos, in a primitive part of the country, where the march of civilization seemingly has made but little impress, and where the troops of the royal government occupy strategic hills in their several thousands, and not far away are the forces of the Pathet Lao group, forces that have received assistance from the so-called Chinese People's Republic and from the Soviet union, both holding fixed positions, positions that

represent the situation on the date of cease-fire but who, thanks to the stabilizing influence of the international supervisory commission, are not at war but at peace with one another.

We shall hear more of these three countries in the course of the ensuing period. They may not be the most powerful countries in the world but they do occupy geographic areas of strategic interest, not only geographically but in terms of the acceptance or the rejection of political forces that are basic, Mr. Speaker, in the troubled world which confronts all of us. No one man represents Asia. When he was in Washington Mr. Nehru is reported to have said that he did not seek to be the single spokesman for Asia. I can well understand now what he meant and why he made that statement; but he hoped to provide a bridge between one important section of the western world and Asia. I believe that Mr. Nehru is the bridge between that section of the world and those sections of the west who respect his judgment and who understand the basic purposes of his policies. It would be easy and popular to join in decrying some of his actions but I shall not do that because I believe more strongly than ever before that in the interests of world peace if we are going to have a proper acceptance on the part of Asia of our good intentions we for our part must recognize the dominating motives of the present great prime minister of India.

For us he has great respect and in our Prime Minister (Mr. St. Laurent), our Secretary of State for External Affairs (Mr. Pearson) and the President of the United States he has great confidence, as he has in other political leaders in other parts of the world, and the existence of this confidence is a most important matter.

I saw Mr. Nehru for a few moments immediately upon his return from the United States and Canada; I saw him the next morning and later again that day. I found in him the same disposition to understand other points of view in a spirit of tolerance that I personally had experienced at the United Nations in my relations with spokesmen of India. It is not always possible to agree but it is essential, if constructive efforts are to be made, that there should exist a capacity to appreciate the reasons for certain attitudes and approaches. It is in this way that differences are composed and agreements are achieved.

I do not believe one can attach too great importance to the acceptance by political leaders of the good intentions of others and their appreciation of the factors involved in differing attitudes. Given conditions of this kind and an absence of vituperation in the conduct of one nation with another, I think it is possible to work out solutions that will result in a satisfactory disposition of the problems that divide mankind at this time.

I was not the only one travelling in Asia at this time. There were more important political personalities than myself, holding higher offices and representing greater power numerically and perhaps influentially. I could not hope to emulate some of the receptions accorded them or the influence which for the time being they may have sought to exercise. I spoke in one village to about 10,000 people one day where others only a week before spoke to several hundreds of thousands. We did not speak of the same things and I am sure that behind the things that were said there were different motivations and intentions.

I spoke of international friendship, of the importance of social and economic reconstruction and of improvements in health and living standards, of our belief in the value of the United Nations as an instrument for the discussion, and we trust ultimately the resolving, of some major world problems that divide us at this time. Behind my simple observations was based the pattern that comes from a belief in spiritual values, that comes from a belief in individual freedom as opposed to totalitarian power through which millions of people are caused to accept the dictates of a small group which constitutes itself as the government of the day. No one can tell whether my peregrinations will have the kind of effect which I in moments of deep sincerity would like to think possible. But I would say this, that as one man in the face of the situation attending that tremendously interesting and complicated continent, I did my best to put forward not only the point of view of the government of Canada and of all shades of political opinion but as well the point of view of all the people of Canada. In my discussions with members of governments, of course, I could only speak for the government of Canada. I would like to think I did put forward in those private talks, the results of which I hope will in the not too distant future become apparent, the point of view which we on this side believe to be the most desirable position to take.

I come back from this experience, Mr. Speaker, not as an expert but more humble than ever in the face of the great problems that stagger mankind in Asia today as they do elsewhere. I return confident in the belief that if we observe the principles embodied in the charter of the United Nations, if we employ the media of adjudication and conciliation instead of force, if we bear in mind at the same time that every country has its

own problems and its own way of dealing with them, then assuming the necessary conditions of good faith, we shall, as mankind has in the past, surmount the tremendous issues that confront us all.

Having said all these things I would not want to indicate to the people of Asia, whose guest I was, who extended me their friendship and their collaboration, whose members of government listened understandingly to what I had to say on behalf of my colleagues, that I now make invidious comparisons between my country and the lot of the people of Asia. That is not my purpose when I say that having had the experience of visiting lands where long before this country came into being there was deep theological and philosophic thought, having in mind the fact that the industrial revolution has not touched them as it has reached us and as a consequence has not given them the same material benefits it has given us, I will not be misunderstood when I say to this house that I return to my seat, I come back to Canada convinced more than ever before of the richness of our heritage.

I can only express the hope that all of us will in the face of our good fortune seek to give expression to Him who in the final analysis is responsible for many advantages that have not yet been opened to peoples in other areas, and that this will stir us on to recognize that we are all our brothers' keepers in this interdependent world. Unless this attitude and the policy of the good neighbour prevails, we cannot look forward to the fulfilment of what we want to see realized in our times and for our children, those things without which we cannot preserve responsible measures of security and freedom in a world at peace.

Mr. W. M. Johnson (Kindersley): Mr. Speaker, I would like at the outset to express the hope that the Minister of National Health and Welfare (Mr. Martin) will reserve some of his energies in order to make a 50-minute address in this chamber to convince his colleagues of the desirability of introducing a comprehensive national health insurance plan.

I welcome the opportunity of participating again in this debate on the speech from the throne, and it will not be surprising to many members to learn that the subject of my speech is the problems which it is my duty and responsibility to present before this house. The problems that confront those in my constituency are not too different from those confronting all agricultural constituencies in western Canada and, in some measure, throughout all Canada. There is, it will be appreciated, a limitation of time on this debate, and I will therefore not be able to deal with all the problems which are confronting agriculture in Canada. I shall therefore limit my remarks specifically to matters affecting western Canada and those whom I represent in the Kindersley constituency.

Members representing other areas of Canada, if they have farmers within their constituencies, will have an appreciation of the problems confronting all these people and will, I feel, give consideration to what I have to say so they may better appreciate the peculiar circumstances which have existed in western Canada for the past five years. These are growing problems which, to my mind, are much greater than those which affect any other parts of Canada because after all, Mr. Speaker, agriculture is the backbone of our economy and western Canada has for decades played an important part in that economy.

I think we could say that the treatment which the present Liberal government has given agriculture over the past number of years is very shabby indeed. I am not going to condemn everything the Liberal government has done; it is not to be expected that in the 21 years during which they have been in power they could have blundered all the time. Some of the legislation they have introduced must have reflected the desires of the farmers in Canada. The comments and criticisms I am going to make in connection with agricultural problems are constructively intended to present our views to the government for their consideration and action and, as is characteristic of members of the C.C.F. party, I am not going to confine myself to criticism but am going to suggest solutions and policies that this government should adopt immediately.

It has been conceded generally that farmers all across Canada are being caught in the ever-tightening vise of cost-price squeeze. The cost of everything that we as farmers have to buy is going up and up while the price we receive for our products is continually declining. Today a western farmer is required to pay $7,000 for a self-propelled combine needed to harvest his crop. Seven thousand dollars is the price of a pretty good quarter-section of land in many areas, and members will appreciate what that means, when one piece of farm machinery equals the price of a quarter-section of land. The cost of repairs and fuel has also increased and, in addition, farmers are confronted with the problem of getting adequate labour to help in the operation of their farms. They have found that because of the continuously hazardous nature of agricultural production it is impossible to guarantee year-round employment to hired help. As a result they have to pay very high wages indeed in order

to induce men to work on the farm. They have to ask for high wages because they, too, require security. This problem is becoming a very serious one indeed, Mr. Speaker, and it is felt in many areas that measures will have to be taken to assist farmers in securing full-time or part-time hired help. To this end I have introduced the following resolution:

That, in the opinion of this house, the government should consider the advisability of amending the Unemployment Insurance Act so as to provide coverage for agricultural workers.

It is my opinion that this will provide one solution, and I hope that when the matter is debated in the House of Commons favourable consideration will be given to that subject.

Along with these increasing costs which I have mentioned is the item of freight rates, which are increasing by leaps and bounds every year. Let us look on the price side. Members will find that the prices farmers are receiving are declining year by year. In 1950 farmers received $1.85 a bushel for their wheat. Today it is $1.40, both prices being at the head of the lakes with the farmers paying the freight on their wheat. The price of beef, eggs and poultry has declined this year. Last fall you could buy a calf at the Edmonton stockyards for $25. The *Economic Annalist* in the October issue, using the years 1935/39 as equalling 100 as a basis, points out that the cost of commodities and services to the farmer this year stood at a record high of 254.3, an increase of 24.3 points in the last five years. The price received for field crops stood at 171.1, a decrease of 29.3 in the last five years. In other words, in 1951 the cost price was separated by 29.6 points and in 1956 it was separated by the colossal amount of 83.2 points.

The cost of production of bountiful crops has naturally increased, and this has been reflected in the economic position of the farmers. In the Kindersley vocational farm management survey it is pointed out that out of 83 farms, only 65 per cent of all farms in this sample were able to realize the total cost of production on the basis of a yield of 24 bushels an acre, and not on the basis of the amount of wheat they were able to sell. This report goes on to indicate that the average cost of production for the 83 farms stands at $17.49 per crop acre basis, allowing no wage for the operator; with an operator's wage it stands at $24.61 per acre. It is apparent that the farmers in western Canada are indeed suffering because of the glut of wheat which has developed in Canada.

Judging from many of the reports we see in the newspapers and announcements by government leaders we are tempted to rush out to the granary to see if we have any wheat left, because those reports indicate it is being sold so rapidly that we are not going to have any left with which to fill our quota. But when you do go out to the granary you find the bottom six inches or one foot rotted, because after all the wheat has been there since 1952 or 1953.

The true picture is presented in the November issue of the *Wheat Review*, and I quote:

Total supplies of Canadian wheat for 1956-57 are estimated at 1,075 million bushels, consisting of the July 31, 1956 carryover of 537 million and the new crop of 538 million. A supply of the size indicated is the largest on record, 8 per cent above that of last year and exceeding the previous record of 998 million set in 1953-54.

That is the true picture. It is interesting to note that of the four major exporting countries, Canada is the only one with an increase in supply. There has been some indication that the delivery position is improving. At this time last year we had delivered only 83.6 million bushels during the period August 1 to December 19, while this year we have delivered 122.5 million bushels. Those deliveries must be compared with the ten-year average of 201.2 million bushels. It is quite apparent that our stocks are increasing because our sales are not increasing in proportion to the amount being grown.

It is apparent that the long-term solution of this problem must be along the lines of a more aggressive sales policy. Some might scoff at that and ask where we are going to sell more wheat, but I have here an indication where we can do so. I have here an extract from a paper prepared by the foreign agricultural service for the wheat commodity section of the 34th annual national agricultural outlook conference held in Washington, which indicates that the possibilities for the export of wheat will be much more favourable during the coming year. It states:

Exports July-October 1956-57 amounted to 160.4 million bushels, virtually twice as great as the 81.5 million bushels shipped in the same period a year earlier.

Exports for dollars are expected to be greater, especially to the northern European countries where poor harvesting weather together with the severe damage suffered in early 1956 have materially decreased domestic crops. Also, this situation will curtail wheat exports from France and some of those markets will be supplied by the United States.

There is an indication of an ever-expanding world market, and Canada must take its share of that market. As it presently stands, the impact of this increasing world market has been in the form of even lower quotas on the average to western Canada. When the government changed their policy last year and decided that no effort would be made to equalize the quotas, complete

chaos reigned. We found some points that ended the crop year with a 4-bushel quota; some with 5 and some with 7. That certainly seemed inherently unfair and was protested by the Saskatchewan wheat pool and the Saskatchewan farmers' union. It was protested in the House of Commons by members of the C.C.F. group, and the Minister of Trade and Commerce assured us that those points which had a low quota would be given priority at the start of the new crop year to equalize their opportunity. That promise has never been filled.

We find that as of January 4 there are still three marketing points in western Canada on a unit quota; 478 are on a 1-bushel quota; 962 are on 2-bushels, 469 on 3-bushels and 140 on 4. Over two-thirds of the marketing points are on a 2-bushel quota or less, and I suspect that many of those points that are on quotas up to 4 bushels have not had an opportunity to deliver their grain.

There should be a much greater attempt to equalize these quotas in order to give each farmer an opportunity to share in the return from the sale of his grain. While consideration is being given to this problem, consideration should also be given to the problem of the allocation of box cars to marketing points on a more equitable basis. There is something else which has been requested consistently by farm organizations, and that is the allocation of box cars to the elevator of the farmer's choice.

The government does not seem to be concerned with these vexing problems, and there has been no spurt of activity to deal with them. Indeed the Minister of Transport (Mr. Marler) has indicated that he is not even going to bother appointing a transport controller. On January 9 I asked the Minister of Transport, as reported on page 24 of *Hansard*, the following:

> In view of the termination of the duties of the former transport controller at the conclusion of navigation last December 17, can the minister make an announcement that an appointment has been made to fill this important post.

The minister replied:

> Regardless of the impression of the hon. member, the resignations of the transport controller and of the deputy transport controller were received only in the last week of December.

Later on I asked this question:

> Am I to assume that there will be an appointment made at a very early date.

To this the minister replied as follows:

> I think I should say this, that the transport controller carried out his duties with outstanding success in the face of very substantial criticism from the hon. gentleman opposite. In the first place, I think it is going to be exceedingly difficult for the government to find a transport controller of the caliber of Mr. Milner. In the second place, I think in view of the criticism expressed by my hon. friend it will be very difficult for us to find someone who will be willing to accept the duties.

I would be the last one to deny that I have attempted to reflect the views of western farm organizations in a critical manner in relation to the way in which the transport controller has carried out his duties. It is significant that in the recommendations of the interprovincial farm union council is included a recommendation that a full-time transport controller be appointed with sufficient power to exercise the responsibility of making available sufficient numbers of box cars for the movement of grain. The Saskatchewan wheat pool has been on record consistently as objecting to the manner in which the former controller dealt with this problem. At one time the Minister of Transport indicated that he was not going to allow this position to remain vacant. Discussing the Department of Transport Act on April 25, 1956, as reported on page 3271 of *Hansard*, the minister said:

> I do not believe that an operation so complex as the movement of grain from the western provinces to the Pacific coast or to the lakehead and thence to Atlantic ports is something that can be left without direction.

Yet we have the situation that this same minister has left this important post unfilled for nearly one full month. During that month we had a tie-up of the Canadian Pacific Railway which further complicated the movement of grain in bulk. The minister might say that he received the resignation from Mr. Milner only at a very recent date, but I would point out that, as found at page 314 of the proceedings of the committee on agriculture of July 6, 1956, Mr. Milner states this:

> As I shall not be transport controller after the close of navigation this year, this occasion gives me the only opportunity . . .

And so on. It is just another indication, Mr. Speaker, of the irresponsibility of the present Liberal government in dealing with these grave domestic crises.

The government's solution to this problem has been to institute this despised system of bank loans, namely a system requiring the farmers to pay 5 per cent interest on what is in effect their own wages. The impracticability of that system has certainly been proven by the number of farmers who have been able to take advantage of the scheme. The farm organizations have requested the immediate adoption of a cash advance proposal on a permanent basis. This would give an opportunity to equalize the returns of farmers on unequal quotas. A farmer on a unit quota would then have the opportunity, which is justifiably his, of getting some return on his grain rather than being obliged to

wait several months until the quota has been increased. The Gordon commission indicates that it is necessary to adopt this principle in part.

That would seem to be one point on which I could find myself in agreement with the Gordon commission. Yes, we must have a permanent system of cash advances in order to allow the farmers to have the income with which to meet their debts.

I would call on the government right now to make an immediate interim payment on last year's pool. This would be more valuable than any other single factor which the government could deal with at the present time. I estimate that there would be funds available for an interim payment of between 10 and 12 cents to be made in the very near future. I would warn the government that the financial position of the farmer is such that he is not in a position to wait for them to hand it out as a pre-election bribe in the form of a fatter annual final payment. The farmers who find they have huge piles of wheat out on the ground are not going to be fooled in that way.

I point out that the final solution to this problem, of course, is an increased trade policy to deal with the ever-expanding markets of the future. In the meantime the government should certainly give the farmers some assistance and some guidance in the selection of crops. I have seen many farmers who were in a complete quandary, not knowing what to grow for the future. Some farmers in my constituency tried growing Argentine rape, only to have it frozen. Others have tried flax on land unsuited for flax. Others have tried and are trying field peas in an attempt to diversify, in order to dodge the blows which the federal government seems determined to level at agriculture. Instead of using the agricultural conference which is held each fall as a means of giving a guide to our farmers, they just have it as a casual little meeting where a great many pious statements are made, but when you boil them all down there is no guide for the farmer. The farmer is not told to grow more Durum, more flax, more wheat or more barley. He is left entirely to his own devices.

I have pointed out many of the factors with regard to which this government has fallen down in dealing with agricultural problems in Canada, but the biggest problem of all is the complete absence of an agricultural policy. Oh, you might say that we have an Agricultural Prices Support Act, which in reality is nothing but a patchwork of support prices and guarantees, each below the market price. There is no program for agricultural credit. There is no program to guarantee the farmers a fair return for their produce. I should like to see this government adopt a comprehensive agricultural policy which would incorporate these features and give agriculture all across Canada a fair share of the national income, that is to say, give to the farmers of Canada a parity with other occupations.

I think it is only right that we should have that policy, because the farmers are certainly one class who are deserving of it. I should like to see this agricultural policy include price supports and price levels which would guarantee a reasonable standard of living to the family farm. It is a workable proposal which may, as the Saskatchewan wheat pool indicates, involve deficiency payments to producers. I think the adoption of an agricultural policy would do more than any other thing to resolve the dilemma which confronts us at the present time. The Edmonton *Journal* in a news story on Friday, November 16, 1956, had this to say under the heading "Liberals Say Farmers Unhappy at Policies":

> The closing sessions of the Alberta Liberal association's annual convention Wednesday, said farmers were uphappy with farm policies.
>
> Rulon Dahl of Raymond, Alta., said the average farmer in the west is not satisfied. "If we are to win the next election, we must smarten up the farm picture".

I think you will find many farmers in Canada who will agree with that speaker, and who feel that the Liberals must certainly smarten up the farm picture. But on the basis of their past record there is really no hope. It will take the C.C.F., through their role as an effective opposition or as the government, to provide fair treatment for what is still the basic industry of Canada, namely agriculture.

Mr. Raymond Bruneau (Glengarry-Prescott): Mr. Speaker, allow me at this moment to congratulate the Minister of National Health and Welfare on his extremely interesting description of his good-will mission around the world.

When the members of this house assembled on January 8 in the Senate chamber to hear the message from His Excellency, the representative of the Queen, I am sure we all had the feeling that the present session would be of the greatest importance. I for one have been much more impressed with this idea after hearing the speech from the throne, which reflects the powerful impetus our country is experiencing under the enlightened guidance of the present government. May Providence continue to inspire those who

share in the heavy task of governing the country, and shower countless gifts upon our population.

Even if this does not mean that all is for the best in the best of worlds we may, however, consider ourselves a most privileged nation, which is now well on the way to becoming one of the most essential wheels in the gearbox of world affairs. Both on the international and the national levels Canada has shown in recent events its capacity to stand at the outposts of foreign affairs for the preservation of peace and the advancement of the human race. Only a few weeks ago our government, through our most able and distinguished Secretary of State for External Affairs (Mr. Pearson)and other members of the Canadian delegation to the United Nations, was the keystone in solving many of the Middle Eastern problems including the Suez canal crisis.

Moreover, a point has been reached now where no major decision on western policies can be taken without Canada being consulted. Our influence in international affairs is constantly growing, both because of the policy of our government on external affairs and the sound and comprehensive interpretation of our national problems. The well-established policies of the government on international affairs are agreed upon and supported by all including, I am sure, hon. members of the opposition. I shall, then, refrain from taking any more of the time of the house on this matter. I would feel guilty, however, if I did not mention our hope to see our country continue to be the guiding light and an effective worker in the task of healing many of the sore spots still threatening world peace.

May I at this point also congratulate the government for the efficiency and spontaneity with which they offered help to the Hungarian people who were forced by the communist persecutors to flee from their homeland. These martyrs to the cause of human freedom are most welcome to Canada because our nation wants to be in the forefront of those nations giving aid to these people who did not hesitate to sacrifice everything for the right to live as free citizens. They will be a great asset to our country in the future. Evidently new blood is needed to maintain the steady progress Canada has experienced during the last few years. With the enlightening advice contained in some of the conclusions drawn by the royal commission on economic prospects, there is no doubt but that the government will be in a position to use this increased manpower to the best economic advantage for the good of the country. It has shown already that it can give a stable and vigorous economy.

Incidentally, may I say that so stable and vigorous is the Canadian economy at present that it has hardly been disturbed by the recent railway strike, for the settlement of which the Prime Minister and other members of the cabinet deserve to be highly commended. Some disturbances have occurred, as was to be expected, but they were of minor importance compared to what would have happened in a country with a staggering economy. However, that industrial dispute was a very serious one and had many ill effects on many sectors of the country. I noticed, for instance, that many remote areas were suddenly cut away from the economic life of the country, and this affected the daily life of the people as well as their daily productivity, small though it may have been. I see in this fact additional proof of the need for the decentralization of our manufacturing industries, both primary and secondary.

In the speech from the throne the government has indicated its intention to recommend the establishment of a committee to consider what should be done to make better use of the land for agriculture, and thus to contribute more effectively to the improvement of agricultural production and the incomes of those engaged in it.

(*Translation*):

In seconding the address in reply to the speech from the throne, my hon. friend the member for Gloucester (Mr. Robichaud) mentioned all the benefits that our farming class and our people in general can expect from that measure which, he said, is very promising indeed for the future. I agree with him completely and I take this opportunity to congratulate him on the excellent speech he made in this house in seconding the address in reply to the speech from the throne.

(*Text*):

By the same token, may I also extend my hearty congratulations to the hon. member for Edmonton-Strathcona (Mr. Hanna) on the very keen and interesting views he put forward in proposing the address in reply to the speech from the throne.

The principles underlying the setting up of the proposed committee to study the means of making better use of land for agriculture are of the same vintage as those calling for a similar measure to study the possibilities of drawing a master plan to decentralize industry in this country. It will be recalled that last year during the budget debate I made such a suggestion. Those who have had the opportunity of perusing the preliminary re-

port of the royal commission on economic prospects, tabled in this house last week, must realize that many findings of the commission call for such decentralization and for the better use of areas outside large centres which are suitable for manufacturing industry. One could be convinced that such a move would benefit agriculture as well as the manufacturing industry.

For instance, paragraph 17, chapter 2, of the Gordon preliminary report states that Canada is becoming an increasingly urban country and that this trend will continue. It is predicted that over the period running from 1951 to 1980 the proportion of the population living in metropolitan and urban areas of more than 100,000 people may represent from 36 to 56 per cent of the entire Canadian population. Is this expectation to become a reality, or should not something be done to alleviate the trend? Everyone knows that overpopulated metropolitan and urban areas are amongst the worst enemies of a sound and growing economy. I demonstrated that point last year, and I shall not take the time of this house to repeat what I said then. I will point out again, however, that in my own constituency of Glengarry-Prescott there are scores of communities suitable for industrial purposes, either for the establishment of new industries or the re-establishment of previously existing industries. The same situation, I am sure, prevails in dozens of other constituencies.

In Glengarry-Prescott we have all the facilities. I know that other areas cannot secure manufacturing industries because of lack of hydro-electric power. With the advent of dieselization and the coming use of atomic energy for industrial purposes I do not think this will constitute a problem any longer. In any case this is one of the points into which the committee or royal commission I suggested last year would have to investigate. Had such a body been formed last year it could have laid down the main foundation of its work after the publication of the report of the Gordon commission. Now that the preliminary report is out, I think it is more than ever the time for the government to give all its attention to such a measure if we are to draw up a policy capable of influencing the economic life of Canada in the course of the next 25 years.

To further help the economy of the manufacturing industries; to ease the housing situation in the big cities; to provide for better and more logical distribution of industrial products, decentralization would give more impetus to the agricultural areas benefiting from it. The increase of population it would bring in those semi-urban regions normally would increase the local consumption of agricultural products grown nearby, thereby reducing the cost of transportation and consequently lowering the cost of living.

Another effect of decentralization would be to get more agricultural manpower on the farm. The Gordon preliminary report also points out that in agriculture output is expected to decline in round figures from 13 per cent to 6 per cent of the total output. Here again I think efforts should be made to alleviate such a trend. In my humble opinion the boosting of regional economy and the keeping of agricultural manpower on the farms would be two very important steps in the right direction.

Since the preliminary report of the royal commission on economic prospects has been tabled, economics have been paramount in most parliamentary and political circles. It is surely a subject of prime importance, and I think in a democratic and peace-loving country like ours a sound economy is possible only if all classes of society are assured of a decent living and of freedom from want. That is why the government initiated a program of social security some years ago.

Some of my colleagues who have preceded me in this debate have voiced their views on the subject. I should like very briefly to emphasize the importance it has for the people of Canada. When speaking of social security one thinks almost immediately of old age pensions. The number of people for whom this measure means the difference between a very frugal living and dire poverty is unbelievable, and statistics do not always reflect that. What these old people receive now under the Old Age Pensions Act, however, is merely sufficient to subsist on. When it was increased to $40 a month the old age pension came as a benediction from heaven for those who had nothing to live on, and even then it could not buy for them all they needed; but nowadays it is felt that this amount is utterly insufficient.

We all know that the cost of living has skyrocketed during the last few years. It has also skyrocketed for old people, especially for those who have no other source of income but this pension. That is why I would suggest the increase be possibly $25 a month, bringing the pension to $65 a month for all old age pensioners, with a means test for those who are between 65 and 70 years of age. Also, if we are to help the Canadian people to keep pace with the constantly rising cost of living, I feel that family allowances should be increased accordingly, let us say to possibly $5 to $7 on the basic allowance, with an equivalent increase for other classes.

In that regard I am also very sorry to deplore the fact that it has been impossible up to now to implement the health insurance plan that the Canadian government proposed last year. It is to be hoped that some of the provinces will not continue to minimize the importance of such a scheme of social security to our country.

In the speech from the throne the government has shown once again its appreciation of the interrelation between the various activities which are to make Canada a great country in the future. It is very gratifying indeed to know that hon. members will be asked to approve the establishment of the Canada Council for arts, humanities and social sciences. Although those three fields are not directly connected with the administration of the country, they must be considered as the inspiration of the leaders and as vital factors in the superiority of a nation.

This new council will be called upon to grant many scholarships and bursaries, especially to young Canadians. I would like, then, to suggest that it could be attached, for administrative purposes, to a new department of youth which I have advocated many times in this house. Under the same new youth department could come the administration of the increased annual grants to universities, to be distributed by the national conference of Canadian universities, for the purpose of helping our institutions of higher learning to prepare the future leaders of our country.

On that measure, which has been so widely approved throughout Canada, I will mention my belief that the national conference of Canadian universities, having undertaken to act as a distributing agent of those grants, should immediately start an inquiry to determine the various needs of each university, aside from construction projects. As it is now, the plan calls for the distribution of the grants on a per capita basis of the student population. These per capita grants undoubtedly will constitute a great factor in the development of our universities, but it is also evident that some universities are not in quite the same position as others, either because of local conditions or because of their growing influence, which calls for a more extensive and faster development.

I am not suggesting that grants should be given on a discriminatory basis, but simply that a study should be made with a view to extending on a rational basis, some additional help to institutions that are capable of absolutely proving their need of money for new equipment or additional personnel, for instance.

The speech from the throne also mentioned that a measure will be placed before the house for the purpose of renewing, on a revised and increased basis, the federal program of amounts to provincial governments in aid of technical and vocational training. This is another item which could be administered by a new youth department. Everybody knows how useful technical and vocational training has been in Canada since the inception of the Roger plan. Incidentally, is it not a little strange that the skin of certain provincial governments is not so tender when it comes time to accepting federal grants in this particular field of education? Is it that they consider technical and vocational training so much less important than university training, or is it an effort to continue an established tradition, hoping that people of particular provinces will not notice the inconsistency of their attitude? Whatever the reason is, this plan is accepted even by the most discriminatory province and I heartily support it, because it is aimed at bettering the conditions of life of the working classes who are the active nucleus of our free enterprise system.

There are many other points in the speech from the throne, Mr. Speaker, that are of high interest to all Canadian people. I only wanted to emphasize a few points which I consider of prime importance to the country at large and to my constitutents in particular. Briefly, I think the present session has started out under very good auspices. Canada is near the top with respect to influence in international affairs. The economic outlook of the country is better than ever, both in view of our growing activities and a stable economy, and we can say that there is nothing to fear in the future as long as our administrators will make it their duty to pave the way for our future leaders. Nevertheless, those bright prospects, most of which have been emphasized in the Gordon preliminary report, will not materialize unless we start immediately to implement some measures to make sure that the great majority of Canadian citizens will benefit from those gifts of nature.

These, Mr. Speaker, are the few remarks I wanted to submit very humbly to the house.

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, I was very much interested in hearing some of the observations made by the hon. member who has just resumed his seat, by reason of the fact that he may have an opportunity to vote for the increase in the old age pension and possibly the increase in the family allowance which he has indicated he thinks is necessary. So far as his observations concerning a national health plan are concerned, I would point out that it is most unfortunate that this government has

such little confidence in the scheme itself that it has not proposed to make it possible for those provinces which have indicated they wish to share in it to have at least the opportunity of discovering whether or not the plan will work.

It is so often the case that "the best-laid schemes o' mice an' men gang aft agley". It was my intention to speak of some of the questions that my own people regard as vital in their particular orbit. I am thinking of specific problems in connection with dredging and fishing; old age pensioners' problems; customs and revenue problems, and certain others about which people in my constituency approach me from time to time. However, in today's *Globe and Mail* I found an article which gives me a great deal of concern. It is probable that it would be viewed with considerable alarm by the people in British Columbia if there were any truth to the matter, and I have every reason to believe that the article is quite accurate. The article appears in the column headed "B.C. Letter" and is found on the financial page of the *Globe and Mail* of Monday, January 14, 1957. The article is entitled "Forest Industry Woes Affect Whole Economy" and was written from Vancouver by Nigel Dunn. The first paragraph reads:

British Columbia's vital forest industry is in trouble. It is suffering from the effects of an increasingly sticky market; and it can expect to suffer more from the demands of labour.

A good many people of course are all too frequently inclined to blame labour for most of our ills, but history has proven that in my province labour and management have made a habit of resolving their difficulties to the mutual satisfaction of both, and I am sure this will be the case in this instance as well. However, further down in the report we find this notation:

British Columbia's forest industry is a $500 million a year operation. It employs more than 50,000 men. . . . In addition to the many big companies whose capitalization is counted in tens of millions of dollars, there are more than 1,000 small logging companies whose existence depends completely on the prosperity of the major producers for which they work.

If by reason of the fact that we have lost our export markets, or if the forestry industry in British Columbia is curtailed in any other way, it will be more serious, as far as the people of my province are concerned, than the rail strike which we have just experienced. I venture to say it would not only be much more serious but would be viewed with considerably more alarm. The article goes on to say:

British Columbia is losing its lumber markets abroad as a result of the prosperity which it has helped to create. Its important British market is shrinking alarmingly because of skyrocketing ocean freight rates.

We find the responsibility rests completely with this government in the establishment of freight rates to and from ports of entry in British Columbia. This is a difficulty which only this government can resolve, and if our market is shrinking as this article indicates then I would say this government has the responsibility to look into this question immediately in order to see if something can be done concerning the high freight rates we are subjected to in ocean navigation. The article continues:

Its United States market—the biggest single buyer of British Columbia forest products—has been cut back because of United States credit restrictions on home construction.

I am fully aware that it is impossible for us as Canadians to determine what should be the credit restrictions in the United States. However, I am also aware that this government was advised a year or more ago by many hon. members in this house that we were becoming altogether too dependent on United States markets, and that this dependency would some day put us in a difficult economic condition if we should lose those markets. Apparently we are reaching that point today. The fact is that our government has put all its eggs into one basket in the export field.

As recently as last week the Minister of National Defence (Mr. Campney) indicated to the chamber of commerce in Portland, Oregon, that the people of the United States would be expected to buy more goods from Canada so we could have a better balance of trade. The very fact that this government through its economic policy has made it impossible and impractical to keep the market we did have with Great Britain and other European countries has had the effect of denying to us as British Columbians and as Canadians the business we normally should have which would keep in operation our great forest industry.

The article says further:

Ocean freight rates are only part of the reason for the decline in the usual $60 million worth of lumber imported by Britain from British Columbia. . . . The 25 per cent decline in house building estimated to result in the United States this year is expected to decrease even more British Columbia's exports south of the border in 1957.

In that respect, Mr. Speaker, I can only re-emphasize what I drew to your attention earlier, and I trust through you to the government, that it is necessary for us to find markets other than in the United States to

dispose of the products that we develop in Canada. Further along the article says:

> Domestic markets are not much more promising. Credit restrictions in Canada are expected to reduce home building by 20 per cent from the 1956 total of 125,000 and the effect of this will hit British Columbia directly and hard.

In substantiation of this very same statement, Mr. Speaker, I found in the Maclean *Building Guide* for November, 1956, an article in which Stewart Bates, president of Central Mortgage and Housing Corporation, forecasts a 10-year wait for the next housing boom "unless housing costs could be reduced to bring in more homeowners in the lower income levels, or unless more older parts of cities could be made obsolete."

I would say the question of declaring more old homes obsolete and the request which was made by me last year that this government should see to it that more cheaper homes are built for those in lower income brackets are not only desirable from an economic point of view but also desirable because such action would give people better and more decent living accommodation. The article in the *Globe and Mail* continues:

> Spokesmen for the forest industry are facing their problems with a mixture of resignation and pessimism and aggressive optimism.

That optimism, I may say, is typical of people in British Columbia. Certainly that is so of the aggressiveness, because we are people who believe in getting things done, and I trust that this government will take action to see that something will be done in this respect. The article goes on:

> They are resigned to the loss of the European markets and feel there is virtually no hope of regaining them.

And that, Mr. Speaker is a terrible situation when you consider the value of the logging and forestry industry in my province, to think we who have this great abundance of forest products can find no hope in the future of selling them to the United Kingdom or other European markets. The article carries on:

> But they are confident that they can find new uses for wood products and the industry is conducting research on a scale never before realized. Some are talking about producing disposable clothing made of wood treated to look like expensive fabric, yet costing a fraction of conventional cloth. The industry is looking far into the future for stability.

Mr. Speaker, it would be presumptuous of me to suggest that members of the government do not have the time to look into articles such as this, to read them and have their attention drawn to them. However, I do not believe it is presumptuous on my part when I say that the Gordon commission report has absolutely nothing in it insofar as the British Columbia forest products industry is concerned. In the preliminary report we find only one mention of it, and that does not apply to British Columbia alone. It says: "Forestry research should be actively encouraged." Just research, you will notice. It says nothing about markets, nothing whatsoever with regard to the building of houses with this particular product that we possess in such abundance in my province and which we must use, which we must dispose of if we are going to maintain the high rate of business activity that we have experienced in the past few years.

Certainly today when I listened to the Secretary of State for External Affairs and later to the Minister of National Health and Welfare I could not help but think when I compared their remarks with what I found in the Gordon commission's report that possibly British Columbia was a land foreign to the rest of Canada in many ways, and I do urge this government and particularly all those members of parliament who come from areas in which forestry is a vital industry that they should give a good deal of thought to this matter, since forests are one of our greatest resources and should be developed to the maximum extent possible.

Another question that has held the attention and interest of the nation as a whole is the Canadian Pacific rail strike which we are all pleased, I am sure, to note has been brought to a temporary close. Disputes between management and labour are all too common today, Mr. Speaker, especially when they involve utilities whether privately or publicly owned. I am sure that the people of this country feel it is high time that we should take certain steps to see to it that the problem of strikes and walkouts is resolved, and that they should not be subjected to any further inconvenience of this kind.

I would draw to your attention, sir, that there is one very important factor that must not be overlooked with regard to this matter. I have read a great number of newspaper articles dealing with the strike, and almost without exception the daily newspapers across Canada blame the union for going on strike. I would probably be one of the first to agree that the union should not have gone on strike if this were the result of automation and if automation were the only factor that was involved, but such is not the case. The question which bothered the union was the factor of safety; and I submit for your consideration, Mr. Speaker, and for that of other hon. members of this house that the only way the firemen had of bringing the safety factor to the attention of this country was by the union declaring a strike. If the union had

not gone on strike and we had had a rash of accidents, who would have condemned them first? Would it not have been you and I, and the hon. members of this house and the people in this country? They would have said, "Why did not the union go on strike? They knew what the safety factors were. They knew what was involved." But no; the newspapers in this country have taken it upon themselves to condemn without a fair hearing, certainly without a complete hearing.

It may be that this committee which has been set up by the Prime Minister will discover that the firemen are not required on the freight diesels or on the yard switch engines, and if such is the case it will probably seem unfortunate that the firemen chose the moment they did for going on strike. However, the proof of whether they are right or wrong must remain to be seen. Mr. Speaker, the blame does not rest with the union nor with management. They were using the only recourse which was open to them, one that is traditional, namely either to go on strike or to have a lock-out. This is a remedy which may be laid down in law; certainly it is not illegal.

However, in my view the government was at fault because when it became apparent that the union was definitely going on strike, with all the harmful effects on the economy of this country, the government should have called a halt and, before the strike ever happened, instituted a board, possibly made up of a representative of the union, a representative of the management and another appointed by the government in council, to determine whether the union was right in its claim having to do with the safety factor, or whether the management was right in its claim that the union was at fault. That is the responsibility of government. That is the responsibility this government shirked, Mr. Speaker. That problem, too, is the responsibility that the official opposition shirked, since it behooves the opposition in this country, if they have any idea how a problem may be solved, to urge their solution firmly upon the government of the day.

I contend that thousands, or possibly millions, across this country will agree with me when I say that the government failed in its responsibility. Certainly it was late in making up its mind, though "better late than never" is possibly a good adage. I submit that we should not prorogue or adjourn parliament until such time as we have brought in labour legislation which will prevent such lock-outs or stoppages of work or strikes in the future. That is what the people of Canada expect us to do, certainly not to permit the continuation of strikes or lock-outs at the leisure or pleasure of certain groups. I am not criticizing the union for the stand it took, nor am I criticizing management; the union was simply exercising its inherent legal right. However, I do submit that the government was at fault for failing to take action when it should have done so.

There is another matter which gives me a great deal of concern and which has assumed quite alarming proportions, and I refer to the plight of the small businessman, the number of business failures. I read a short time ago from an article which appeared in the *Globe and Mail* to the effect that 1,000 small loggers would be affected by the policy announced by this government, and that this policy might result in the closing up of a number of small loggers.

On more than one occasion I have brought to the attention of the house the number of failures occurring in small businesses, particularly family-owned businesses, the small store on the corner, and others.

If, as is claimed so often by big business, the little man on the corner was inefficient, if he did not use proper appliances in his business, then I could appreciate that he might be pushed out of business; but I am sure if you go into a small store on the corner or any other place you will find that place is being kept just as clean, that it carries the same quality of merchandise, that the same type of scales are used, that the same electric cash register is being operated and similar counter displays are being used as are used by the supermarket. Yet men of that type are being forced out of business.

Many times the owners of the big supermarkets are the wholesale houses, and I wonder whether there is a deliberate or unwitting attempt to get rid of the small businessman. From time to time I ask myself certain questions to discover whether that is the case. Is it possible that there is a hidden combine, more vicious because it is hidden and because one cannot discover a real combine? I ask myself why it is that in the metropolitan area of Vancouver the wholesalers who own the supermarkets use a different method of operation when a little man is concerned. I ask myself if it is a coincidence that the wholesalers in a matter of one, two or more weeks should have decided that the small businessmen must give them post-dated cheques in blank.

The man buying goods does not know whether he is going to get the goods, but he must hand over a blank cheque to be filled in by the wholesaler. Surely what is being done is illegal, the requesting of post-dated cheques for goods not yet received. If for

some reason a cheque is returned marked "n.s.f."—the little man does not always have the same amount of credit available as has the big man—I wonder if it is a coincidence that the little fellow is charged ½ of 1 per cent interest per week. Those are the kind of things which suggest to me that it is more than coincidence when they occur in such a short period of time.

Frequently I refer to the products of Procter and Gamble and Lever Brothers. I ask myself if it is a coincidence that Lever Brothers should charge $6.80 a case for soap one week, raise the price the following week to $7, an increase of 20 cents a case, and then have the same price rise by Procter and Gamble. Is it a coincidence that the next time there is a price fluctuation Procter and Gamble should raise their prices first and then within a week's time we see the Lever Brothers following suit?

Is it a coincidence that these soap companies should be buying their ingredients at exactly the same price week after week and month after month, yet have their prices fluctuate suddenly within a matter of weeks? I wonder if this is because the soap companies who have been investigated under the combines act have decided that it would be good business to turn out many different products in order to fill up the shelves of the stores and carry on all kinds of promotional schemes to sell them. We find that when Blue Cheer goes up in price one week the other soap company will bring out Breeze or something else and put it up in price. So many different products are brought out that it is almost impossible to charge the soap companies with carrying on a combine because the products that are changed in price are similar products bearing different names.

When I see these products on the shelves in such great numbers, or see them advertised in the newspapers, I wonder if the research branch of the Department of Trade and Commerce has ever attempted to establish the truth of the claims made by the soap companies. I wonder whether the housewife should not have that sort of protection.

Then when I go to check the shelves of these stores I quite often find a can marked "20 fluid ounces". I ask myself what "fluid" means and just what amount of solid matter is contained in the can. I wonder whether we in this house or the housewife realize that many times a wholesaler or manufacturer will decide that in order to sell a particular product at a particular price they will put out a special brand with a particular label on it containing a special pack for a particular company. In so doing, if it is 20 fluid ounces, how many ounces of pure solid food have they? Indeed, it would be interesting to go to the various markets across this country, pick up cans of the same commodity or similar commodities such as peaches, and actually weigh the solid content within each can, even though the can is marked "20 fluid ounces". If these huge markets, these big supermarkets, can get the manufacturers to label their own brands so they can sell them at a particular price, then it is a simple matter indeed for the supermarket to undersell the little man on the corner. The only person who does not know the truth of the matter, that she is not getting as much in solid food content, can easily be the housewife who shops around for her commodities.

There is another situation that is extremely hard, I might say, on the little businessman. I refer to this question of tight money. The squeeze is on. Who is it on? We on the Pacific coast find that it is on the little businessman particularly. For instance in my own area we find that five small businesses went bankrupt in the last few months. In that same area we find two big supermarkets, one in the process of being built at the present time and another one which has opened its doors, although probably not in the same line of business; I will admit that at this moment. But incidentally this is what I discovered. It is a matter of money for these little fellows.

Here is a typical case. I discussed the question with one of the owners of one of these bankrupt businesses, and this is what she had to say:

> When a one-third down payment was compulsory we were able to compete as we always sold quality and built our business on service. We had to dissolve our business because of the "no-money down" policy and credit denied us.

A small merchant has no large amounts of money in reserve. He cannot sell shares in his business. He has not a revolving credit plan. He has not the Industrial Acceptance Corporation to look after his customers. He has not the General Motors Acceptance Corporation to look after and assist his customers in the purchase of his goods. He is on the spot.

I have a typical case in which a ladies ready to wear owner had made a habit or practice in the early summer, when he would get in his Christmas stock, of going to the bank and borrowing some $5,000 or $10,000 with which to carry his stock until after the Christmas sales. He would get a three-month note and he would renew it.

This chap's note became due on November 2 of last year. He went to the bank to renew it, and they told him to sell his bonds.

He had bonds, and he was compelled to sell them. He could not renew his note. He was indebted to the bank. He took a loss on his bonds. Let us see what he received for them. He had $250 of 3 per cent bonds maturing in 1960. He sold at $96.15 and realized $240.37. The interest was $2.93. He had $200 in 3 per cent bonds maturing in 1962. He sold at 94⅜ and realized $188.75. The interest was $1.34. He had $1,000 in 3 per cent bonds maturing in 1963. He sold at 93⅜ and realized $933.75. The interest was $1.73. He had $4,250 in 3 per cent bonds maturing in 1966. He sold at 92⅜ and realized $3,925.93. The interest was $17.80. They were Dominion of Canada government bonds.

The total cost of those bonds was $5,700. He received $5,288.80 plus interest of $23.80, or a total of $5,312.60. In other words he had invested in the Dominion of Canada, but he was told that he could not hold those bonds, that he had to sell them; and he had to take a loss of $387.40. That is what the tight money policy did to this little fellow. I say, Mr. Speaker, that we have indeed reached a shameful position in this country when we cannot use Dominion of Canada bonds for security purposes. Certainly when we sold the bonds to these people we did not intimate to them that they would not be worth 100 cents on the dollar when Canada's economy was at the highest point in its history.

The tight money policy of this government, Mr. Speaker, is crucifying, condemning and killing the little man in this country. The small businessman is being hurt unnecessarily to the advantage of the select and the elect few. Possibly I would say in this instance that I could be wrong in my supposition, but this is what I find in the I.A.C. *Merit News* for December, 1956. Hon. members of this house will recall that I have spoken on this free credit idea that we have had so much of in past years. This is what this pamphlet had to say:

Retail Credit

Let's face it. We've all been putting some paper on our books with a hope and a promise. Some of us have even been on a sort of credit binge during the last couple of years and it is now time for sobering up. Too much credit has been far more responsible than too little credit for business difficulties and failures.

What kind of credit? It is the kind I have decried in this house from time to time; the kind that indicated that the little man could sell for no money down; the kind we permitted in this country; the free use of money and credit in terms of money. The article continues:

In the last four years the number of vehicles sold has not changed very much, but the terms on which they have been sold have weakened substantially. And this in a time when more people were employed, earning more money than ever before in our history.

Perhaps we should ask ourselves if the public really demanded this easing of terms—or if it was forced upon them through sales pressure, advertising and other channels—and so became the accepted thing to do in the minds of all parties interested in the transaction.

Later the pamphlet goes on to say this, and I would ask hon. members of the house to note it:

Another point too, is that a great variety of businesses are competing today for the consumer's credit dollar.

There is no competition for goods, Mr. Speaker; there is competition for a credit dollar between these bigger companies and they are gradually putting the little man out of business, either wittingly or unwittingly, either in the sense of the hidden combine or by any other means they see fit. I know big business have said, and there is no refuting it, that the finest thing they can have beside them is a small businessman, because it helps their business. They want him there. They want him kept. But unwittingly they are putting him out of business, and we are permitting it by allowing these people to advertise goods for sale with no money down. It is at this point that our tight money policy should be enforced. It is at this point where it should be necessary for the individual to show his responsibility by putting some money down. We should not permit the continued use of this unrestricted credit.

As I indicated, earlier, Mr. Speaker, there are many other topics I wished to touch upon, particularly old age pensions. I hope when that legislation is introduced or some other opportune time presents itself, it will be my privilege to speak to the matter.

Mr. Irvin Studer (Swift Current-Maple Creek): The opportunity, Mr. Speaker, of speaking to this House of Commons on the address in reply to the speech from the throne is appreciated by all of us in western Canada. It is an opportunity for me to present the views of the great constituency of Swift Current-Maple Creek, and also to make a few observations on the state of the nation, as it is called to the south of us. Congratulations would, of necessity, be in order to the mover (Mr. Hanna) and seconder (Mr. Robichaud) of the splendid address. The contributions they made were appreciated by all members of this house, and that appreciation has been voiced by them.

So far as we Liberals are concerned, that is what we expect of other Liberals. We expect not the common but the uncommon; we expect nothing mediocre; we expect the

extraordinary, not the ordinary, and that is what the Liberals who sit in this house endeavour to present. I would, therefore, like to extend my congratulations to the hon. member for Gloucester and the hon. member for Edmonton-Strathcona. They are a source of pride to each and every one of us.

By their deeds we shall know them. Since it was my privilege to speak in this house last year I think everyone will agree that progress has been made in Canada. Not all the difficulties have been solved, but I think no one will disagree with the statement that progress has been made. This is a better country in which to live than it was last year. If that is true, and I think you will all agree that it is, then we must have had a government and government policies that made that possible. With the help of all, including the opposition, I am sure that next year, when at least the government and all its members will be back again, perhaps in greater numbers, the people of Canada will again agree that progress has been made in this country. How can Liberal policies have a different effect? What else could you expect from policies that, through experience, have been proven to be adaptable to the needs of the Canadian people and which will bring Canada to the heights that every Canadian expects?

My constituency of Swift Current-Maple Creek is, as you all know, predominantly agricultural. In every session I have endeavoured to present to you some of the good things that come from that constituency. However, agriculture is not the only means by which the people of the constituency make a living. We have a great number of labouring people who make a great contribution to the welfare of Canada. We have railway people, and there are two divisional points in the constituency, Swift Current itself and Shaunavon. The people in that area are almost entirely dependent upon the Canadian Pacific Railway, so you would expect them to be happy that a solution was found to the rail strike which was so detrimental not only to that area of western Canada but to all areas in Canada dependent upon that great service organization. Irrespective of the motives for that strike it has been settled, and I was pleased that all members of the opposition congratulated the government on the form of the settlement and the fact that it was settled without compulsion. May it ever be that all strikes in this country when they originate—perhaps one could call them the penalties of democracy but I would rather call them one of the rights of democracy, that any individual organization in the country has the right to strike because any time that right does not exist then in my opinion we no longer have a democracy—will be settled without compulsion. We in western Canada are grateful to the government for promoting a settlement of the strike.

I am more familiar, Mr. Speaker, with agriculture than with any other activity, because I have lived with it practically all my life. I consider it, as perhaps all of you consider the occupation in which you are engaged, as one of the most important contributions to the welfare of the country. I would submit that in the great economic expansion of Canada the most important industry in Canada was agriculture. Let us never accept the idea that we can depend on all the other industries for our advancement and leave agriculture on its own. It seems to be inherent in human nature that we take agriculture for granted. As a result it is necessary for agriculture, throughout the years, to make appeals to governments for assistance.

We often wonder why that is so. Why is it necessary for agriculture to apply for assistance to the Canadian government or other governments in the world? It should be the other way around; every other industry in Canada should be making the appeals that agriculture is making, because agriculture should be in the preferred position. Agriculture should never have to appeal, shall we say, or go in a begging manner to the government of Canada or the government of any other country.

I am trying to tell this parliament that the people of this country cannot exist without agriculture. All flesh is grass, and from grass everything in the form of flesh is originated. If you took grass out of existence, if it refused to grow for even one year, there would be no life in existence any longer. The importance of agriculture is not at any time overemphasized. It is more important than any other vocation, and I do not wish to deprecate any other vocation. It is more important than any other business, and the same holds true in regard to any other endeavour or any other profession or any corporation or any government. Without agriculture there could be no existence.

Have you noted this, that wherever new settlement takes place, whether it is in a new country or within an area, the first thought is not whether we shall have business, not whether there shall be lawyers—as necessary as they are, and they have been referred to in this house—the first thought is for the planting of the seed because that is the seed of life. Surely it is of primary importance to all the people. As I have so often stated, we should not place agriculture in a position

where it is neglected, because upon the welfare of agriculture depends your nation's security; that is your cheapest insurance, to keep agriculture in a prosperous condition.

We all know that agriculture has expanded also in various parts of the country and many agriculturists have done well. We know also that in other areas other forms of agriculture have not done so well. This is the condition that we, as a government, are endeavouring to correct. I am tired, Mr. Speaker, of hearing people, as I sometimes do, refer to the rich farmers. Well, if there are rich farmers they are not in my district. There are some of them who have done better than others, but there are no Cadillacs in my part of the country. The people are glad to have any kind of automobile which they can operate. There are no trips to Florida by the people in my part of the country.

But why should there not be? Why should not farmers have a right to go to Florida and own Cadillacs? This right is given to every other occupation in Canada; every other profession takes that right upon itself. If anyone hears of a farmer having a Cadillac it seems that is an offence against the country, or against nature or against the professions. He has the same right to have a Cadillac but he does not have it. Therefore we would like to suggest that the farmers have expended their greatest efforts to remain in existence, have expended all of their time and all their overtime to make it possible for the people of Canada and of other countries to have food at lower costs than they should have paid.

That is the only reason Canadian farmers are coming to parliament, or to the government, for assistance. They are coming to the government for assistance because over the years the people have paid lower prices for their food than would permit the farmers to continue in farming. What is the alternative? There is no other alternative but for the farmers to come to the government for assistance and to encourage the government to formulate policies that will assist the industry. Why should that be? I ask any person in this House of Commons, why should that be? Why should agriculture ever since I have been associated with it be in the position that it has had to appeal for subsidies and legislation and government operations and so on in order to sustain itself?

Well, the farmers are going to do something about it before the whole economy of the country is completely changed and consider that the economy can get along without agriculture. It is my hope that before that happens the people of this country will be sufficiently sympathetic to make that result possible without the actions that other people have it within their power to take to correct their conditions, actions that the farmers do not have within their power. As I mentioned before, with the exception of the larger farmers, who in Canada other than the fishermen have a lower standard of living than the farmer? Yet many things have been done to encourage the farmers and make it possible for them to exist and to make a living comparable with other industries and with other people in Canada.

I have endeavoured to outline the situation in my immediate area, but I do not think it is prevalent everywhere. It may sound like a paradox, but the difficulty in my particular area is that we lack production and have lacked it throughout the years. These people who have overproduction, who have granaries bursting with wheat, who have sufficient credit to carry on and have credit facilities available to them, are in a position where we do not have to worry about them except to help them to sell their grain. We should give our real sympathy to the individual who has not that surplus of grain.

I refer to the ordinary, every-day farmer who is endeavouring to make his living without mining the soil, without taking everything out of the soil and not putting anything back, the small farmer who is trying to make a living for his family and who, by his sweat and toil expended throughout his lifetime, has tried to maintain himself on the land in an effort to supply the people of Canada and other countries with food at below cost. Therefore I would suggest that if we are to remedy that condition, and perhaps it is within our means to partly remedy it, some action should be taken. We are endeavouring, and we shall endeavour, to recommend policies that will bring about that result.

We know the trend in western Canada is toward larger farms. The Gordon commission suggested that farms will be still larger in the future, but they will also be more efficient. The same thing will happen as happened in other economies; other provision will have to be made for those who cannot be accommodated within their industry. What this government has endeavoured to do is to have an economy that will absorb those people in whatever occupation of life they may be, be it the forests, the mines or the farms; to absorb them, as it is absorbing them, in other industries in which they can make their living.

No government in the world can guarantee me that I am going to make my living in the profession in which I am working, or the vocation or occupation. The government cannot do that, but it can formulate policies and have an economy that will make it possible

for all the people to make their living within whatever form of economy is in existence in the country at the particular time. That is what this government is endeavouring to do.

We are now suggesting to you what the price of food should be. If you were paying the price for food that you should pay, that is the consumers of this country as well as in other countries, then it would not be necessary for the farmers to come to the government for assistance, or to have laws enacted to protect them. If the people of this country and of the world will pay the farmers the price they should receive for the food they produce, then we will not come to the government begging for assistance. I think that is a fair deal.

Why is it that when we go to buy an automobile we do not question the price? They tell us what the price is. We do not haggle over it; we do not argue about it. All things being equal, we either take it or leave it; but when it comes to food we tramp the streets—at least my wife does—looking for the cheapest food. I am trying to train her out of that and to look for the most expensive food, but thus far I have not been successful in doing it. That is the point. When it comes to food we try to get it at the lowest price. In other things, television sets or automobiles, or anything you wish to mention, we ask no questions; we take it home if we have the money.

I would like to suggest to you that the subsidies that are asked for by farmers are merely compensation for the discount the public has received in the price of food throughout the years. If anyone has any other explanation for it, well, I would be glad to hear it. Therefore if you will pay farmers $2.20 let us say, instead of the $1.75 you have been paying during the years from 1944 to 1953, he will not need help. And do not think it is $1.75, because the farmer does not receive that. He receives a maximum of about $1.55, because the $1.75 includes freight; and when the grade is lower, say grade 4, 5 or 6, he receives $1 or less for that wheat. If you will pay $2.20, instead of $1.75 f.o.b. Fort William, which is the fair price he should have been receiving during the past 10 years; instead of 78 cents for oats, 98 cents for oats; instead of $1.16 for barley, $1.45 for barley; instead of $1.95 for rye, $2.45 for rye; instead of $3.65 for flax, $4.59; instead of $18.50 for steers, $23.27; instead of $23.94 for hogs, $30.12; instead of $19.49 for sheep, $24.51; instead of 48 cents for grade A eggs, 57 cents, we will never come here to the House of Commons and ask you for a thing. I think that is a fair deal. How many bidders do we get on the deal? What do you offer? That is the situation.

Unfortunately, farmers are not in a position where they can demand things as other occupational groups do. We recently had a strike. Even in Saskatchewan, where we have a state-controlled and operated bus system, we had a strike a few years ago. People in Canada have the right to strike if they do not think they are receiving their fair share or a just wage, or for any other cause. But how can the farmer strike? He cannot do a thing about it. He can have his unions, and then through political agitation or some other type of agitation they disappear. That has been proven in the past, and the farmers have no one to speak for them except their representatives in the House of Commons, the grass roots representatives who come from Saskatchewan, and by those I mean the Liberal representatives because the other groups from the province of Saskatchewan who are supposed to represent the farmers are not the grass roots; they are the quack grass roots.

I would suggest to the people of western Canada that it is the real grass roots that produce something in abundance, that produce the revenue for the farmers. In other words they are the people who are listened to. The proof that the people of Canada have not been listening to Saskatchewan is the fact that the majority of the representatives from Saskatchewan during the past few years have not been true representatives of the people. In other words they are the enemies of the government, and if the government represents the people of Canada, then they must be the enemies of the people. At least that is the way it looks to me. If the people of western Canada wish to have representation that would be of value here in eastern Canada and in this parliament, they should do something about it.

The government has been doing something about it. Instead of having our farm unions come here to present their case, the representatives of the people have been trying to do it here in this house. I would suggest that any time the farmers of western Canada do not think that their representatives have been doing it sufficiently well they should themselves come here to Ottawa. They have the same right as anyone else to come here. We have seen people from different organizations who thought they had a grievance walk up and down in front of the House of Commons. The farmers have the same right; why should they not have it? This government is as partial and sympathetic to them as to anyone else; therefore I would advise

them to come whenever they think they can make an appeal to the government that will be more effective, and whenever they have any wrong they think should be corrected. They can present it to their own seat of government, and they have the same right to do so as the people in any democratic country.

The government has been endeavouring to correct the difficulties existing among the farmers. The government has made operative policies to stabilize agriculture and to encourage co-operatives. Incidentally, I might say there is no problem for which farmers cannot find a solution in their co-operatives. In fact they could get along fairly well even without representatives because they have the solution right in their own hands, providing someone does not disturb the co-operatives. Throughout the years the farmers have been able to solve their own difficulties through the co-operatives. The federal government has encouraged co-operatives, as did the former government in Saskatchewan and as the present one in turn is doing. In their efforts to assist the farmers the federal government has operated a wheat board on behalf of the farmers of western Canada, and has taken it upon itself not only to promote the wheat board but to extend it for five years. It has supported the international wheat agreements and provided loans to foreign countries to purchase Canadian grain. It has also instituted floor prices on wheat, oats, barley, hogs, butter and eggs. It has originated the Agricultural Prices Support Act, the Agricultural Products Marketing Act, and has paid out over $1 billion in subsidies to farmers in the past decade as has been pointed out in an issue of the *Western Producer* printed in Saskatoon a year or two ago. It has made the Canadian farm loan board operative and promoted the P.F.R.A. and P.F.A.A., and it is now thinking of crop insurance as far as it is applicable to western Canada. It has also progressively abolished tariffs and removed the duty on farm machinery and supplies. It has negotiated trade agreements with 73 countries of the world.

Why have these considerations been necessary? They have been necessary for the reason I stated at the beginning of my remarks, because the public has been paying less than the cost of production to the farmers of western Canada, and there is no alternative except to have the government promote, advocate and originate policies that will compensate the farmers for the difference between what they actually receive and what they really should receive, something that will help meet what the price should have been in the first place. Agriculture has to be supported because circumstances over which it has no control prevent it from sustaining itself.

What are the demands of farmers today? They demand policies that will enable them to produce without government assistance, and that is a reasonable request. The farmers ask, how high can floor prices be advanced without instituting production controls? No one has ever given them an answer. The farmers are also asking, can a parity price be established without acreage control? No one in this House of Commons has answered that question. The only body to have answered it is the Canadian Federation of Agriculture. The vice president of the wheat pool said that if you instituted parity prices as promulgated or formulated by certain farm organizations, then you would have to establish it at between 65 and 85 per cent of parity or the farmers would go hog wild on production.

If the farmers want parity prices under which to reduce their acreage to the extent of the wheat that can be absorbed in this country—because you cannot expect the 16 million people in Canada to pay the difference —they should have the right to vote for that, and we will give them consideration on that basis. If they wish to produce one hog instead of three to come under a parity price structure they should have the right to vote on that.

However, they must also take into consideration that by doing so they will be reducing the entire economy of Canada, the gross national product of the country, because if you reduce your acreage and production from 500 million to 150 million bushels then Canada has lost the difference between the value to be received from the 150 million and the revenue to be received from 500 million, and perhaps that is not in the best interests of the national economy. For this reason the farmers will not vote for parity prices under that system, but they have a right to express their opinion through a vote on control and acreage reductions, the same as a union has the right to express its opinion concerning whether or not a strike vote should be taken.

I would therefore suggest to the farmers that policies be originated which are acceptable to the rest of the people of Canada, including the members of this house; because if they cannot accept them then they are wasting their time. The recommendations of the Gordon commission concerning wheat are in the public eye at the moment. These could be considered, if the farmers would accept the consequences and dangers particularly as

they relate to the wheat board, the economy of Canada and their own economy.

What the farmers want are stabilized prices for their production. They want crop insurance for those years when there are no crops. They want unemployment insurance to be extended to farm labour, and they want every effort to be expended in an effort to sell their produce. They want more storage for their grain and equalized freight rates so they are not penalized because of where they live.

Incidentally, if this can be thrown in, I might point out that farmers want the other amenities of life which are enjoyed by approximately 75 per cent of the people of Canada. In other words, in our part of the country in order to keep up to date I think we should have some of the modern conveniences and pleasures of life. We in the southwest also want a television station so we can enjoy the educational benefits of programs and in order that the cultural advantages television provides to the other people in Canada will not pass us by. The farmers want no more and no less than the same security and standard of living enjoyed by those in other occupations.

Therefore, Mr. Speaker, we commend the government for having created an economy that can absorb those whom agriculture cannot accommodate.

I would point out, however, that not all our troubles are due to circumstances such as I have described. Some of our troubles in the west are due to politics, and I would like to dwell on that subject for a moment because if there is any place in Canada where political disunity exists and has existed throughout the years with harmful effects it is among the farmers in western Canada. There is an old saying to the effect that united we stand and divided we fall. Well, if we in western Canada have fallen it has been through division, it has been through political disunity, and it has been because individuals have proclaimed that their election was more important than the welfare of western Canada.

During the last 30 years have we not had an example of the futility of divided strength, when splinter political parties say, "Elect me and I will correct the difficulties that exist in western Canada." It is interesting to note that none of the difficulties have been corrected, at least according to what the disunited opposition members of parliament tell us. They constantly tell us that nothing has been accomplished as a result of their efforts. They bemoan the fact that they have been here year after year telling the government what should be done, and nothing has happened as a result of their pleas. I can only observe that they must have made an extremely poor job of it if they have been unable to convince any other person in the whole of the country that the situation in western Canada is as they have described it. I suggest to them that they go back home and tell the people there that they have been a complete failure in representing western Canada. They have gone among the people there and suggested that fighters be sent here; that is what they told them.

Mr. Blackmore: What about the maritimes?

Mr. Studer: Well, if they are fighters and if they have fought for something, where is it? They point out in every speech they make that they have been unable to accomplish anything for western Canada. A prime example is the hon. member for Burnaby-Coquitlam (Mr. Regier), the "Quebec is ripe for communism" member from Burnaby-Coquitlam. He was a pathetic example as he stood in the House of Commons just two days ago and wept over the plight of the people in his constituency. He does not need to weep; he merely needs to be told to go back to his constituency and tell the people there to send a representative to the parliament of Canada who will speak on behalf of his people and who will be believed by the rest of the people of Canada.

So far he has not done so. So far none of the others have done so. There is no sense in my standing here weeping floods of tears over the plight of the old age pensioners if it does not cost me anything. If I have never produced a single nickel's worth of wealth in the world it is easy for me to ask other people to make their contributions. I would suggest to them that if they produced some wealth to distribute for the benefit and welfare of the people of Canada instead of teaching the children of Canada socialism in their schools, it would be better for us all. Because that is what they have been doing, teaching socialism to the children in western Canada; and if they have not been doing so they have not been doing their duty as socialists.

So, Mr. Speaker, all our difficulties are not due to climatic conditions or to the policies of the government. I was interested the other day in hearing the hon. member for Macleod (Mr. Hansell) try to explain the difference between Social Credit and socialist credit, and I would suggest to him that his explanation why there is Social Credit is not genuine. The reason there is Social Credit is that 50, 60 or 70 per cent of the Social

Credit members here sit under that title because they were not qualified to be Liberal candidates at previous elections, and in order to be elected to the House of Commons they formulated the hodge-podge of discarded political theories that all the civilizations in the world threw away long ago. They have been playing with the discards out of the deck for so many years that they do not know what a new deck is. They have been playing neulo with the discards and there are no face cards in the discards; all the face cards are on the government side of the house. They are relegated to playing neulo in this political game. They are a party of Rosicrucian technocrats with hellfire and brimstone and applesauce; with a policy that was spawned in some other country and which grew to maturity, if you could ever call it that, in the foothills of Alberta. What a discredited organization they are. Did you read the recent Commission's report in New Zealand, where there was a Social Credit government of what Social Credit is?

They claim they have a monopoly of political righteousness. Without referring to any individual I would say they have a monopoly of hypocrisy, because they originated politics and in doing so they caused all areas of western Canada to suffer for the sake of their political expediency. They are the jokesters of the House of Commons and, Mr. Speaker, though I could use some other words, I would just like to ask where is the $25 they were supposed to have had in Alberta as a result of the Aberhart administration. The people of Alberta got it, but not from the Social Credit organization. They got it from the Liberals. They got it from the Liberals through family allowances, through the same organization and the same policies every one of them had voted against to defeat the government on February 10, 1944.

It was a sin against humanity to deprive the mothers of western Canada of these family allowance benefits by trying to defeat the government on a policy of that kind. Even the Conservatives had the good sense not to do this. The Social Crediters should go out in western Canada and confess their sins and tell the people about the crimes they have committed in the name of humanity. Instead they imagine that they have a halo and that they have a dispensation to promote socialist credit throughout the country. That would destroy this country as quickly as socialism, because the whole policy is dependent on state control. I challenge them to deny it, these so-called professors of freedom.

An hon. Member: I deny it.

Mr. Studer: They cannot expect their policies to operate without having state control, and they know it. That is why it was thrown out in New Zealand. And what about the press censorship? That was the first thing the province of Alberta enacted when Social Credit obtained power, so the people could not determine what that government was doing. What about their sterilization laws? I do not see anything in the Bible that says we should incorporate this in any of our laws throughout the country. It is the only province in Canada that has sterilization laws. The hon. member for Lethbridge (Mr. Blackmore) or for some other constituency was telling us that Major Douglas, who invented socialist credit, came out to Alberta and disappeared overnight. Why? The hon. member explained that he went because he had a difference of opinion with the Premier of Alberta. That is not why he went. When the sterilization laws came into existence, or anticipating them, he knew what was good for him.

I suggest that when socialist credit comes into existence it will not be necessary, because there will be no people left in Canada. Even I would go—head for the ocean and swim for it if I had to—as Major Douglas would, before I would place myself under the jurisdiction of such a sterilization law. I understand that the insane people would be affected by it, and that a board would be set up. But how can the blind lead the blind? How can a lunatic determine who is sane? No, Mr. Speaker, I do not think we want social or socialist credit in this country. I would suggest to the members of that party that they were originally Liberals in Alberta, and that they should come back to the fold and make a contribution to the welfare of the people of Canada.

We have, also, some remnants of the socialist party left in Saskatchewan. If they are not a disillusioned party no one has ever been disillusioned. They heaped abuse upon the hon. member for Moose Jaw-Lake Centre (Mr. Thatcher) because he left the party, but he was merely a precursor of the inevitable, a St. John the Baptist; because, following him, in September or October they all gathered in Winnipeg.

What was the result? At the same time the communists were tearing down Stalin the socialists at Winnipeg were taking the ground from under Karl Marx. What have they left? The Liberal policy. Therefore I suggest to them that they should leave their policy, forget all about their particular theories which make no contribution to the welfare of Canada, and associate themselves with the new, growing and great Conservative

party which only can provide an alternative to the Liberal party and to the government.

At the same time we congratulate them on their new leader. If he does as well for himself in Saskatchewan as he did for himself in Prince Albert no doubt he will do well for himself elsewhere. It is always necessary when you have leaders to have a few followers, and there has been no dearth of leaders in the Conservative party. There has, however, been a scarcity of followers; and when they have as many followers as leaders then, some time in the hazy future, they might have a government. In the meantime we wish them well.

So, in conclusion, we observe that there are some good things in Canada. More good things have come to the people of Canada in these past years than in any socialist credit, Socialist, or Conservative country anywhere in the world, and the people of Canada are not going to throw that away in the vain hope of finding something as good or better given to them by any of the other political parties. We invite the people of Canada to join with the Liberals and go forward, as the Gordon commission has outlined, to greater prospects of peace, happiness and well-being in the great world of tomorrow.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. A. E. Robinson (Bruce): Mr. Speaker, along with many other members who have taken part in the debate on the speech from the throne I wish to commend the mover (Mr. Hanna) and the seconder (Mr. Robichaud) of the address in reply for the manner in which they handled their difficult assignment. Considering the meagreness of the throne speech with which they had to work, I think they did very well. I wish to declare publicly my allegiance to our Conservative party leader and the leader of the official opposition (Mr. Diefenbaker) in the House of Commons. I also wish to say that we in the Conservative party are looking forward to the day when John will be prime minister of Canada.

Mr. Hees: That's our boy.

Mr. Robinson (Bruce): We in Bruce county are very proud of the fact that our leader has such strong ties with us, and that his mother is a Bruce county girl. The last resting place of two of his grandparents is to be found in a beautiful rustic setting in the cemetery at Tiverton, nine miles from my home town of Kincardine.

It is my happy lot, Mr. Speaker, to be chosen to represent the good people of Bruce county in the House of Commons. When I say "good people" I mean it in every sense of the word. They are mostly descendants of pioneers who settled there 100 or more years ago. The names of these pioneers have passed down from generation to generation. If you will pardon a personal note, I wish to say that our son is the fourth generation on the farm that my grandfather operated over 100 years ago. In addition to the descendants of these early pioneers we have many people who have chosen Bruce as an ideal place in which to live and raise a family.

Bruce county is well up to the top in production of dairy products, beef and hogs in the province of Ontario. Bruce county, as I have stated before, has approximately 300 miles of shoreline bordering on the blue waters of lake Huron and Georgian bay. We have an ever-growing business in summer visitors, both from Canada and the United States of America. Many visitors, after experiencing the friendly atmosphere of our people and seeing the beautiful sunsets over lake Huron, which are known over the world, decide at once that they wish to come back every summer for their vacation.

We have many nice towns and villages in Bruce, all ideal places for anyone to live. We have good schools, good churches, good stores and good roads. Some of the towns and villages have industries, some large and some small. Many of these industries have been located in Bruce for a great number of years, while a few are of more recent growth.

Irrespective of the facts I have given concerning Bruce, there is a growing discontent among the citizens. The farmers are in the squeeze between falling farm prices and the ever-increasing cost of production. Because of the increased size of farms due to mechanization, their sons and daughters must leave home to find jobs, mostly in the cities. In some of our towns and villages we have factory buildings that are closed. Over the last decade the population of Canada has increased rapidly, but Bruce county has not shared in that increase.

According to the preliminary report of the royal commission on Canada's economic prospects it is expected that Canada's population will reach 26 million in 1980. On page 66, paragraph 11, these words are to be found:

> It seems probable that the demand for secondary manufacturers will be at about the same rate as the anticipated increase in the gross national product. In this event the total demand by 1980 may be three times what it is at present.

The question here arises, is Bruce county going to get its share of that secondary manufacturing increase? On page 3, paragraph 7, of the Gordon report you will find these words:

Throughout our work we have made a number of general assumptions on which all our forecasts are predicated. Of overriding significance in the world today is the fact that two great powers, the United States and the Soviet union, both possess weapons of mass destruction in such quantity that their use might destroy organized society throughout the world. Other countries may well acquire an armament of similarly frightening power before many years are over, and this would add to the potential danger. Within a few years intercontinental missiles with nuclear warheads will be in existence, capable at a single blow of crippling, if not completely destroying, any city, no matter how large. A single hydrogen weapon, for example, could devastate and make uninhabitable an area approximately 50 miles wide and 200 miles long. Such an area, stretching along the shores of lake Ontario, might extend from Hamilton at one end to Kingston at the other, and include within its orbit Toronto, Oshawa, Port Hope and Belleville. A similar area along the St. Lawrence might run from the Ontario-Quebec border to Quebec city and contaminate with radioactive fall-out all the cities, towns and villages in between, including the entire population of Montreal. These are among the new facts of life and death in this nuclear age.

I might say, Mr. Speaker, that this in itself is reason enough for all governments to encourage decentralization of industry. On February 21, 1956, civil defence co-ordinator F. F. Worthington had this to say in Belleville, Ontario:

If I were a dictator in this country I would ban cities of more than 50,000 population and order Toronto and Montreal to stop growing.

Mr. Worthington said the expense of decentralization was nothing compared to saving lives of people or the life of the country. Sweden, he said, was limiting cities to 25,000 population. There are many ways and means of encouraging decentralization rather than by direct orders of any dictator. The report of a special committee of the Ontario legislature on air pollution and smoke control was tabled on March 15, 1956, by the chairman, A. H. Cowling. It had this to say in part:

It is estimated that smoke and smog in their various forms cost the people of this province about $120 million a year. It is also a fact that air pollution does have a detrimental effect on the physical and mental health, the efficiency and well-being of people who must exist in it.

Air pollution affects every citizen, the report states. Depending upon his activity, each individual inhales from 8,000 to 16,000 quarts of air per day. Great attention is being paid to the purity of food and water supplies, but very little has been done yet about the vital air supply.

For generations, we have been content to inhale several thousand gallons of contaminated air every day.

Air, like water, is a limited natural resource. It has taken us a long time to realize that there is a limit to the amount of man's garbage the air can absorb and still be suitable for living in. We have come to the conclusion that air pollution is a serious, dangerous and costly curse to civilized living.

Industrial areas, of course, are the most affected. In this respect the air pollution problem is most serious in Toronto, where it is estimated to cost people of the area at least $60 million a year. Based on studies made in the United States and the United Kingdom, the report estimates that polluted air costs every person in the Toronto area an average of $40 a year, and that the average cost per person across Ontario is in excess of $20 a year.

The old-fashioned idea was that a smoking chimney is a sign of full lunch pails and of prosperity.

So states the report. It continues:

Today, however, it is an indication of waste, of bad manners, and of a source of unnecessary dirt and work for the housewife.

It may also be a sign of full hospital beds. Air pollution does have a detrimental effect on the physical and mental health, the efficiency and well-being of people who must exist in it.

There is considerable evidence to indicate that it is one of the causes for the growing incidence of lung cancer.

It certainly predisposes the individual to other respiratory illnesses and to cardiac trouble, and makes his recovery protracted, or his complaint chronic.

It can cause sudden death and has produced many episodes throughout the world which have resulted in large numbers of fatalities.

On the other hand, deaths from cancer of the trachea, lung and bronchus, from cancer of all kinds and from pneumonia and bronchitis are unexpectedly low in the rural areas and in Ontario municipalities with population less than 15,000.

The London *Free Press* in an editorial dated May 12, 1955, had this to say:

Too much concentration in a few larger cities will make for a situation such as in Australia, where nearly half the population is to be found in a few great cities. It has not been a healthy development. This must be avoided if at all possible in Ontario and in Canada.

J. V. McAree, a noted columnist, writing in the *Globe and Mail*, had this to say about traffic congestion in Toronto:

To wait fifteen minutes or more while crowded cars go by is a daily experience to tens of thousands. But we think that instead of blaming the Toronto transport commission, we in Toronto should realize that we are paying a price for living in a metropolitan city. What we are suffering every person in a big city suffers. There is no escape from it except possibly to move to a smaller town.

Mr. Speaker, I do not say that any government should force an industry to locate in any certain area, but I do say very emphatically that provincial and federal governments should encourage the decentralization of industry by improving the services which they,

the governments, are responsible for, such as transportation facilities by road, water and rail, and cheaper electric power for outlying districts. I hope the Hydro-Electric Power Commission of Ontario, considers well the resolution that was passed at the annual convention of the Ontario municipal electrical association held in Toronto early in 1956. That resolution asked the commission to consider taking steps that would eventually lead to an equalization of wholesale power rates to all municipalities in the province.

Mr. Speaker, concerning transportation by water, I wish to state that we in Bruce county have many locations where harbour facilities are crying for attention. Money is spent occasionally in small amounts, mostly for repairs, and in some cases the money spent does not bring any benefit whatsoever. As I stated before, the Minister of Public Works and the Minister of Transport should get together to formulate a plan of long-term improvements. By doing so they would save much of the money that is now being spent foolishly.

To the Minister of Transport I wish to say that the railway situation in Bruce is, to say the least, unsatisfactory. Down through the years the hard-working, industrious citizens of Bruce have paid their share of the C.N.R. deficits and in return received poorer and poorer service. Owing to this poorer service some business to the rail lines was lost, and of late years the C.N.R. has talked of curtailing the service we now have. I plead with the Minister of Transport to see that we not only hold the service we have but in addition receive improved service. It will be a sorrowful day if the good citizens of Bruce continue to be sacrificed on the altar of centralization.

As the Minister of Finance has the privilege of representing part of Bruce county, I feel that I am quite in order in drawing to his attention our hopes for a brighter industrial future.

I am very sorry that the Gordon commission did not recognize the seriousness of the problem of centralization, as I am sure there are many other districts with problems similar to those we have in Bruce. I am also disappointed that the throne speech did not deal more with health insurance, increased pensions to the aged and needy, the blind and the veterans. These increases are due owing to the higher cost of living and inflation, and they will probably be produced before the next election as election propaganda.

Mr. Fernand Girard (Lapointe): Mr. Speaker, in order to acknowledge the principle of bilingualism in the house I should like to say a few words in the English language. First may I extend my compliments to the mover (Mr. Hanna) and the seconder (Mr. Robichaud) of the address in reply to the speech from the throne. May I extend the compliments of the season to all the members of the house. I should like to wish a victorious come-back to all members after the next election, but we must let the interests of the nation come first. Hence I shall leave the choice to Providence.

(*Translation*):

Mr. Speaker, the recent C.P.R. strike has again given rise to the grave worries that beset the minds of all every time we witness a labour dispute of some importance.

We might even say that if labour problems are of concern to the public at large, it is more because those problems are a threat to people's comfort than because people are anxious to work efficiently for the establishment of true social justice. Politicians in particular work hard to preserve the sympathy of the workers but it is apparent that the politician fears the worker more than he understands him. There is promotion of economic liberalism in all its forms; the virtues of private enterprise are rightfully extolled but we forget to give it a heart. We are afraid to see the worker throw himself into a dangerous socialism which often leads to communism, but we forget that capital, which is heartless, is one of the main causes responsible for that threat. Economic liberalism, which is based on the inexorable law of supply and demand, leads to competition. In the face of this taskmaster, the only course open to the worker is the labour union, whose main force resides in the threat to strike. If ever the day comes when workers will no longer have the right to strike, we shall no longer have democracy.

Whether or not some strikes are just, whether or not they serve the ambitions of some individuals, it is not up to us here to decide. However, we who are responsible for the commonweal have a duty to improve the social climate that brings about these strikes. Every finished product coming out of a factory is the fruit of the harmonious union of two main factors, namely capital and labour.

In the social field, instead of close cooperation between capital and labour, we have a conflict of two groups from which originate misunderstandings between the main parties as they both remain obstinately attached to their own particular ideas, as well as misunderstandings among other groups of anxious bystanders who measure the repercussions of these disputes by the

yardstick of their own interests. There is great talk of rights but little or no talk of obligations. Let capital have compassion and help the worker lose his own rancour. In his Magna Carta of labour, the encyclical *Quadragesimo Anno*, the text quoted being from page 140, *Five Great Encyclicals*, the Paulist Press, 1945, Pius XI has clearly defined the role of capital and labour. He declares among other things in this encyclical:

> It is therefore entirely false to ascribe the results of their combined efforts to either party alone; and it is flagrantly unjust that either should deny the efficacy of the other and seize all the profits.

This encyclical which is the social gospel of right-thinking conservatives nonetheless recognizes the right of capital to a reasonable profit but also claims for the worker a family salary which takes into account both the cost of living and of services rendered. This is where, to my mind, the state should intervene to protect the family which is the basic cell of society. A family allowance proportionate to the number of children must restore the family budget. It is a fact that the same salary for the same work can at once be a reasonable salary for a bachelor and the small family and a totally inadequate one for the father of a large family.

It is true that the multiplication of social measures leads to state socialism, but some are indispensable for the preservation of a social balance, and family allowances are, to my mind, the most essential legislation.

Immigration is called upon to people our country, whereas we should preach a higher birthrate which would enable the large family to prosper as it should. The hon. Minister of Citizenship and Immigration (Mr. Pickersgill) has said and rightly that he had greater confidence in Canadian babies than in immigrants for peopling our country. I hope he will draw the logical conclusion of his convictions and agree to a raise in family allowances, which is essential if Canadian babies are to multiply. I have asked every year in this house and I am insisting upon it again—that the government make family allowances proportionate to the cost of living. If a minimum rate of $5 was thought absolutely necessary in 1945 for this allowance, why do we tolerate that it should fall to $3.25 in 1957, as a result of the constant rise of living costs?

On every occasion when we advocated an increase of family allowances, we have been met with an easy answer about the lack of money.

When the time comes to appropriate billions of dollars for national defence, for the Colombo plan, for our contributions to NATO, and for some justifiable assistance to the Hungarian people, the government is soft-hearted. However, when the family is at stake, financial considerations are uppermost in its mind.

With the $400 million surplus of this year's budget, added to the $22 million we are about to dispose of as a free gift, family allowances could be doubled for the next ten years without an increase of a single cent in taxes. We are fed up with the financial argument. This government is far too generous in the fields assigned exclusively to the provinces by our constitution to act as a poor relation when the vital interests of the family are at stake.

I hope that the government will change the Family Allowances Act so that the allowance may be paid for dependent students as long as they are going on with their studies. I hope also that the government will do away with the inconsistent law which allows the deduction of only $150 to parents whose children receive the allowance. This is levying a tax on social legislation itself and take back with one hand what is given by the other. This money comes from taxes and to tax it is to levy a tax on a tax.

Let us place the family first. We will thus discharge our duties more surely and thus contribute to remove the dangers which threaten our world.

On the international level, in every country, in the heart of every human society and in the individual himself, we find the same universal "sore"; the world is dying from a lack of generosity. If we were as keen about charity as we are about our rights, the world would not need so many guns.

(*Text*):

Mr. H. W. Herridge (Kootenay West): There are many things in the throne speech, Mr. Speaker, that indicate the government proposes to introduce legislation that we welcome, such as the establishment of the Canada Council, the implication that there are going to be increased grants to universities, and the suggestion that a committee of the Senate be established to deal with conservation and the development of agricultural land in Canada. While these things are commendable and are welcomed by us, we find on an examination of the throne speech that there is a complete lack of proposals for the introduction of legislation that will meet the needs of many Canadians who require assistance and consideration at this time.

I have been searching for a reason, Mr. Speaker, as to why the throne speech is so barren of this legislation that most of us had

a right to expect and which I think a good many of the Canadian people were expecting. I think I have come to the correct conclusion. I have come to the opinion that the government considers the official opposition no menace to its continued existence, and on that account we have this address with rather scanty proposals for legislation at this session.

I sympathize sincerely with the opposition, which contains a group of men of unquestioned integrity, many of them good friends of ours, genial and hard-working. But in the present circumstances in Canada they operate under a very severe handicap. I would say that they are a group of gentlemen who are frustrated in their efforts to do good by the strait-jacket of the circumstances that exist in Canada today.

If they adopt concrete proposals that go to the right, they lose popular support. If they develop some concrete proposals that go to the left, they find themselves in our camp. They are, therefore, in very difficult circumstances. Generally speaking I believe that is the reason they find it necessary to sit on the fence on most major issues, and to date have not proposed an alternative program. As our leader said some days ago, you cannot suggest to the Canadian people that you are an alternative to the present government unless you have an alternative program. I sympathize with them because it is most difficult for them to provide an alternative program to the program of the government of the day.

I said that was why they were reduced to sitting on the fence on risky and major issues. It was for that reason their leader did not take a definite stand on the strike issue. It is for that reason they are constantly required to speak in ambiguous terms. They cannot help it; the circumstances in Canada force that upon them. It is for that reason their major policy at the moment is one of directing questions to the cabinet on the orders of the day on matters, on many occasions, of little consequence.

I do not blame these hon. gentlemen for that approach. They are confined to that approach by the fact that the Progressive Conservative party, under the conditions that exist in Canada at this time, is a species that will be extinct in 10 years. I feel sorry for these gentlemen because some of them are good members. I may say the hon. member for Vancouver-Quadra (Mr. Green) would make a good member of this group with a little polishing up on economics. The hon. member for Kamloops (Mr. Fulton) would be a welcome addition. He is considered by some a secret C.C.F.'er. There are a number of other members in the group whose objectives in broad outline are the same as ours or those of any other hon. member who wishes to represent the people and see some improvement in Canadian conditions; that is, they wish to do well by the Canadian people, but—

Mr. Hodgson: Why did you change your policy?

Mr. Herridge: Because I saw the light.

Mr. Hodgson: It is not the Regina manifesto you are talking about.

Mr. Herridge: They simply cannot produce an alternative policy to that of the Liberal government under conditions that exist in Canada at this time. It is for that reason I say that the situation in Canada is developing under which this group offers an alternative policy to that of the government in power. We have a different basic philosophy and we have concrete proposals to put before the house and the country, namely democratic socialism.

I will admit that the party has a new leader, who no doubt will do his best. Mind you, they have a certain advantage over us in that respect, because the new leader of the Progressive Conservative party is a master of propaganda. His public relations organization, which has constant contacts with the press; his knowledge of the use of the radio and photographs at home, when they are appropriate, are such—and I admit it—that if the Leader of the Opposition were to burp tomorrow in the outer recesses of Afghanistan it would be known around the world in 24 hours. Mr. Speaker, under present conditions that will not elect a party that finds it impossible to produce an alternative program to that of the Liberal party at this time.

I say we have an alternative program. Our fundamental objective in Canada at this time is the development and conservation of our human and natural resources. We see this problem as a whole. I cannot deal at length with our program tonight to indicate that we do have a basic program in opposition to the government in power. We believe that under present economic and social conditions in Canada we have to look at our problems as a whole from a national point of view. That is why we believe in basic planning. We believe in the enlargement of the sector of public ownership in this country. We believe that a great number of these developments will not be undertaken to the advantage of the Canadian people unless they are at least promoted and developed as a result of federal government co-operation with the provincial governments

concerned, whether it is development in the maritimes, the building of the South Saskatchewan dam or the building of the necessary dams in the development of the Columbia.

Mr. Fraser (Peterborough): You had better watch out or they will take over your timber limits.

Mr. Herridge: In addition to that we believe in genuine free enterprise. We believe in providing opportunities for legitimate competitive free enterprise and for the development and extension of co-operative ownership in this country. We believe in the use of Canadian capital for the development of Canadian natural resources. We believe we have a program that would make this possible under present conditions, and make it unnecessary to bring into this country such large imports of United States and other capital at this time. We believe in a national development investment board for that purpose, so that investment could be directed to the best social advantage. We believe in a national investment and development bank.

We believe that if the federal government used its powers in relation to the use of the national credit and mobilized the national savings under a national investment board, whether they are corporate or personal, we could do a great deal to build these things which are required in Canada with Canadian savings and resources. In addition we believe it is very necessary that there should be a revision of special exemptions to corporations, and we also believe there must be an increase in corporation taxes and higher income taxes. We say that frankly. We do not believe in making proposals for social welfare improvements without at the same time coming out frankly and saying we have to get the money to do these things, and we suggest where we should get it.

Now, Mr. Speaker, I mentioned the possibilities in the revision of exemptions given to corporations in Canada at the present time and the possibilities in higher income taxes. In support of that argument I wish to read briefly some figures which have been obtained from the dominion bureau of statistics and the Bank of Canada. When these figures are given let no one say that we cannot consider the needs of old age pensioners, disability pensioners and others in the country at this time. Between 1946 and 1955 there was a total of $6,940 million in undistributed corporate profits in Canada. In addition, between 1946 and 1955 the total depreciation allowances permitted corporations amounted to $11,214 million, and the total of corporation internally-generated funds amounted to $1,854 million. During that same period we had a net direct foreign investment in Canada of $2,119 million.

We are all concerned about the cost of living, and without doubt the cost of living is caused primarily by the excessive amount of direct foreign investment in Canada and competition for materials and labour. It is almost a direct result of heavy investment spending. I suggest in that connection our fiscal policies are radically different from those of the government. They are possibly policies that the official opposition would not advance, because they do not believe in taking this sort of action. Therefore under these circumstances we suggest there can be a legitimate increase in corporation taxes and higher income taxes, and there should be a revision of corporate exemptions. From these two sources we would obtain tremendous assets to give effect to some of the things we propose.

We now come to the cost of living. The government to date has a restricted money policy. I want to bring to the attention of the house an article that I happened to be reading this evening. It will be found in the January 19 issue of *Saturday Night*. Apparently the Minister of National Revenue recently addressed a meeting in Toronto with respect to this question. This is what the article has to say with reference to the minister's remarks:

> Dr. McCann could have given the students something better to think about by discussing, not the inevitability of tight money in inflationary times, but the relationship of economic development, inflation and credit controls that are not selective.
>
> Credit restraint that is non-selective, however, is a clumsy, perhaps even a dangerous weapon against inflation. It has proved to be far from the delicate mechanism that economists talked about a few years ago.
>
> When there is too much demand for too little money, the available funds flow inevitably into the most profitable channels.

That is our objection to the present credit controls. The article goes on:

> More often than not, the most profitable uses of money are also the most productive ones, from a business viewpoint. But while productive, these may not be the most imperative social uses. Unable to borrow, for example, builders are unable to put up as many houses and buyers must take on the extra load of higher interest rates; municipalities must either delay building the schools and other services they need or shoulder a heavier burden of debt.
>
> If credit must be controlled, it seems necessary that it also be rationed. Dr. McCann and his colleagues should do some serious thinking about credit in terms of distribution as well as restriction.

Personally I think those are extremely sound observations. Our credit restrictions should not be such as to prevent the building of houses, the provision of services required by municipalities, or those things that are

required socially at this time. Our credit restrictions should be such that those projects do not suffer from whatever credit restrictions are necessary. It is because we take this point of view that we believe we are sound in urging the program we present to this house and to the country.

We have heard a great deal about prosperity, and without a doubt there is a general measure of prosperity in Canada at the present time, and there has been for some years; but there are many Canadians who at this moment do not enjoy that prosperity, and those Canadians are overlooked in the proposals contained in the throne speech. Because we believe our fiscal policies are alternative policies to those of the government and that they are sound because they are based on the theory that two and two make four, we say certain things can be done by this government to meet the needs of the people of this country at this time.

It is for that reason we advocate increased old age security, increased old age assistance and a reduction of the qualification age. We realize this would cost the country more money, but on the basis of the corporate profits paid out during the last 10 years, on the basis of the undistributed dividends, on the basis of total exemptions of corporations and on the basis of over $2 billion being spent for defence, surely no one could reasonably argue that if we sit down and try to redistribute the wealth of this country at this time in such a manner as to give all fair shares, we cannot do what is necessary for our older citizens. We say that if we want to we can give them $75 a month without question.

In that connection I also want to bring to the attention of the house what I consider an injustice. Judges, civil servants and other persons who receive various types of pensions from the federal government are allowed to leave Canada and continue to receive their pensions. In the case of persons receiving old age security or assistance they can leave Canada only for a period of three months. If they are not away for a longer period than three months I understand they are able to collect their cheques covering the period they were absent, but for not more than three months in any one year.

Surely these senior citizens who pioneered in this country have as much right to go to California or to the south in the winter because of their health or in order to overcome severe climatic conditions that exist in their districts as have judges and other federal pensioners. I think that is most unjust, and I urge the government when it introduces the measure to increase old age pensions to give consideration to permitting old age pensioners to enjoy the same rights with respect to leaving Canada as are enjoyed by other pensioners of the federal government.

Because of our belief in our sound fiscal policies simply through a proper redistribution of the wealth that now exists, we continue to urge a national health insurance plan, not a hospital plan but a total health insurance plan that will provide for hospital services, medical attention, drugs and the other clinical services that are necessary at this time.

We also continue to urge, as the hon. member for Winnipeg North Centre did the other day, the necessity for a national industrial pension scheme. I brought this up in the house at the last two sessions, and I think the hon. member for Cape Breton South has mentioned it for 10 years in succession to my knowledge. This is a scheme that requires only government administration and coordination. It will cost the government very little more than at present. We ask the government to give consideration to establishing a national industrial pension scheme so the workers employed in various industries in this country will have freedom of movement in labour, will be able to go from one plant to another instead of being chained to one plant by any present pension scheme after paying for more than five years because of the fear of losing their pension rights and so on.

We believe there should be greater provision for low cost housing. That will cost the government some money. I shall not deal with it at length at this time, but we in this group see no reason at all why we should not be giving these benefits to needy Canadians on the basis of the gross production of the country.

I want to refer briefly to the Legion brief which was presented to the cabinet by the dominion officers of the Legion on November 9. We all know the Canadian Legion and the other senior veterans associations are responsible organizations who are in touch with conditions as they concern veterans across this country through provincial commands, zones and local branches. I am pleased to see, Mr. Speaker, that the parliamentary assistant to the Minister of Veterans Affairs is listening intently to what I have to say.

The Legion brief dealt largely with suggested amendments to the Pension Act and to the War Veterans' Allowance Act. I believe the Legion representatives presented excellent arguments and evidence in the brief, and it is my opinion that the veterans affairs committee should be established immediately

to give consideration to these representations from the Canadian Legion and other bodies. In fact, it is the opinion of this group that the veterans affairs committee should be a permanent committee.

I do not intend to deal at length with this brief. I support the proposals because I have read the brief. I know the circumstances they refer to, and I believe their requests are fair, sound and within the capacity of the Canadian people to meet financially.

In their representations the Legion urge that section 13 (1) (a) of the Pension Act be amended so that where a pension applicant who served in an actual theatre of war is found to have a disability resulting from an injury or a disease not recorded on medical examination prior to enlistment, such injury or disease shall be presumed to have occurred or had its inception subsequent to enlistment. I know that is a difficult question, but the number of veterans affected by this amendment would be relatively small, and I urge the government to give consideration to this proposal because there is an injustice done to some veterans under the present legislation.

The Legion also urges revision of the rates for dependent parents, and recommends that the pension of dependent parents be restored to the former position whereby the rate for one parent was equal to the rate for a widow, with a more adequate additional amount than at present provided where there are two dependent parents. I know the parliamentary assistant realizes this is a recurring problem for the Canadian pension commission and those responsible for the administration of this act. The Legion then asks for an increased pension to certain dependent parents, and recommends that section 38 of the Pension Act be amended so that a dependent parent of a deceased member of the forces would become eligible for the maximum rate on the remarriage of the pensioned widow, even though pension is still being paid on account of a child or children of the deceased serviceman.

There is a further resolution here that I am not at all surprised to see in which they recommend that all disability pensions when granted should become effective from the date of application; but in order to allay fears of excessive awards going back to the first world war, jeopardizing the chances of the applicant, they append the following saving clause, namely that this provision should not apply to claims granted prior to January 1, 1946 and that no retroactive payments shall be made for a period prior to that date. I think that is a very reasonable and modest request as a result of my experience with the operation of that section of the act at the present time.

They also recommend that in order to obviate all possibility of future diversion of war pensions, section 24(3) of the act be amended to bind the Crown specifically so that a pension cannot be attached in any circumstances.

Then they come to the veterans who served in the first world war in the United Kingdom, and who are presently denied certain rights. They recommend that these veterans who saw service in the United Kingdom or with other allied governments should be brought within the provisions of section 13 of the act in the same way as those who were in Newfoundland at the time of enlistment.

Later they go on to the War Veterans' Allowance Act. I give credit to the government that the later amendments to the War Veterans' Allowance Act brought great benefits to many veterans, and I know from personal knowledge that they have been appreciated by many people who were able to take advantage of those amendments. I raise this point because our legislation has, generally speaking, been good. These are recommendations by the Canadian Legion as a result of their experience in the administration of these acts in recent years. In the light of this experience the Canadian Legion has recommended that ceilings on total permissible incomes under the War Veterans' Allowance Act be increased to $1,200 per year for the single recipient and $2,000 per year for the married recipient. The Legion also recommends that the married rate of war veterans allowance be increased from $108 per month to $120 a month. That was the point of major dispute when the act was before the veterans affairs committee some two or three years ago.

Further, the Legion recommends that Canadian veterans of the first world war whose overseas service was restricted to the United Kingdom be eligible for war veterans allowance provided that such service be at least one year in duration. That clause "one year in duration" has been added, very sensibly I think because at times there is evidence that the veteran was posted to Great Britain on service, frequently against his will. There are very few of these veterans who served in England in the first world war alive today, and the granting of this request of the Canadian Legion would not mean a very large expenditure on the part of the government. I would urge that further consideration be given to this question.

Later they come to the question of the widows of allied ex-servicemen and urge that they be granted war veterans allowances where the recipient died before completing 20 years' residence in Canada, providing:

(a) That the effective date of her eligibility be 20 years after the husband's arrival to take up permanent residence in Canada;
(b) That the widow herself has completed 20 years' residence in Canada, and
(c) That the husband and wife were both otherwise eligible.

There follows another clause which I think is a very necessary amendment to the act, and that is the recommendation which deals with the permissible equity in the value of the house which a veteran may own. The present figure is $6,000. The Canadian Legion has considered this matter very carefully and recommends that the permissible equity value of the house in which a recipient of war veterans allowance resides be increased from $6,000 to $9,000.

Mr. Speaker, I believe that deals with these recommendations. I have not taken time to elaborate on them. I do not think that is necessary. But I do ask the government on behalf of this group to give consideration to establishing a veterans affairs committee as soon as possible, and permitting the Legion and other organizations to present their evidence and their arguments before that committee. I am confident of this; that if the members of the committee recognize the validity of the evidence and the arguments, and appreciate the situation of many of the veterans in this country on whose behalf the Legion speaks, we shall have some very appropriate amendments to the Canadian Pension Act and the War Veterans' Allowance Act.

Before leaving this matter of veterans affairs I would like to refer briefly to the question of small holdings. In my opinion the most successful housing program undertaken by this government has been by the Department of Veterans Affairs under the small holdings section of the Veterans' Land Act. Unfortunately, as I have mentioned I think in eight previous years in this house, veterans are in many cases unable to take advantage of this excellent legislation because of the acreage requirements. I understand at least three acres of land are required to qualify if the land is not valued at $500 an acre or less, but that it is possible to obtain qualification in respect of 1.6 acres if the land is valued at $500 or more.

I know one veteran who has a piece of property just 1.56 acres in size. He does not qualify under the small holdings provision of the Veterans' Land Act. I do urge reconsideration of this acreage requirement in order that we may meet the needs of veterans in many parts of Canada, particularly in British Columbia, where it is difficult to get these larger areas of land such as three acres and so on. In order that no veteran should be prevented from taking advantage of the act the acreage requirements in my opinion should be reduced to half an acre. In my own constituency there are nearly 400 veterans who are denied an opportunity to take advantage of the act by the present acreage requirements, men who would be able to take advantage of it if the requirement was reduced to half an acre. If the position is as serious as this in the constituency I have the honour to represent, similar circumstances must exist in many other ridings in Canada, and I urge the government to give consideration to this question.

Mr. Speaker, I just wish to make a few remarks with reference to international affairs. Since the house adjourned in August I have had the opportunity of visiting England, Belgium and France, and while there I took every opportunity to investigate the administration of the various departments of government; to discuss matters with labour people and industrialists; to visit housing developments in Britain and France, and to see many other interesting things.

I had the opportunity while in France of visiting all the Canadian fronts of the first world war. I have a particular and personal interest in those fronts, and while I was there I had occasion to see the Canadian war memorials now under the administration of the Department of Veterans Affairs. I have no hesitation in saying that the war memorial at Vimy is the finest war memorial in France or Belgium. It is magnificent in design, in conception and in location, and I must pay a tribute to the officials of the department and their gardener assistants in France for the excellent way in which the gardens are kept, for the landscaping, and the administration in general. The administration of war memorials in Belgium and France is a credit to the Canadian people.

In addition, I had the opportunity to look at some housing developments in France which I thought were very ugly indeed. I cannot understand how people like the French, who have developed such magnificent architecture in centuries past, can now be constructing such ugly and uninteresting housing developments. I saw development after development without any particular design at all, with houses like boxes, built of cement and ugly in the extreme, apparently

built with only one object in view, to house as many people as possible within a certain space.

I returned to England and had the opportunity to sit in the House of Commons during the major portion of the debate on the Suez issue. I must say that I received every courtesy from members of all parties and members of the House of Lords whom I had the opportunity to meet. I sat there and listened to that interesting debate, and I was particularly struck with one thing. I talked to members of the house, members of the upper house and other persons I met generally, and travelled around a great deal. What struck me particularly was the basic stability and underlying cohesion of the British people, regardless of the great division of opinion on a most serious and important matter; an underlying stability and cohesion that kept the nation, shall I say, united in principle although divided on a particular issue, an issue of such serious moment that it could have split apart other nations we know.

I was particularly pleased with the very high quality of the debate in the House of Commons and in the House of Lords, and I must say that as an Anglican I was delighted to hear the Archbishop of Canterbury say what he thought about the Suez issue. He was very vigorous in the expression of his opinion about that issue; he was chivied a bit afterwards by three or four noble lords who spoke after him, and he rose on three or four occasions to defend what he had said. But regardless of the deep division there is a tremendous respect for the elected representatives of the people in Great Britain and no one, whether they were on the government side of the benches or the Labour side, questioned anyone's motives. All that was questioned was the action that was undertaken.

I see that my time is disappearing very quickly and I must hurry along. I had the opportunity to go to the United Nations as a parliamentary observer. I think that is an excellent arrangement. Apparently ours is the only government that does it exactly in that way, and anyone who takes full advantage of the opportunity provided as a parliamentary observer at the United Nations must find it a fruitful and useful experience.

I must take this opportunity to compliment the Secretary of State for External Affairs for his work at the United Nations in recent months. It is recognized throughout the world, and Canada's prestige is particularly high at this time. I spoke to representatives of other nations, and whether they agree with us completely about this or that Canada is recognized as a country without any exterior ambitions, able to look upon these questions in a very objective manner. I have no hesitation in paying my tribute to the Secretary of State for External Affairs for the magnificent job he has done in recent months.

However, having said that I find that there is some division in the Liberal party. This party is united on this issue. I find there is one section of the Liberal party that has what I would term a duplex, reversible international policy. I want to read a Canadian Press dispatch of November 9, 1956. The heading is, "Thatcher Lauds Eden's Actions", and it is in these words:

> Ross Thatcher, member of parliament for Moose Jaw-Lake Centre, says Prime Minister Sir Anthony Eden may have saved the Middle East from communism by moving forces into Egypt.
>
> The former C.C.F. member, now Liberal candidate for Assiniboia in the next federal election, said Wednesday Eden "by halting the antics of a sawdust Hitler may well have saved the Middle East from communism.
>
> "Canadians generally are proud of the part taken by Lester Pearson in the United Nations in bringing about a cease-fire. It is quite possible that in so doing he has prevented a third world war."

Mr. Deputy Speaker: I am extremely sorry to interrupt the hon. member, but it is my duty to advise him that his time has expired.

Mr. Herridge: Have I permission to finish one sentence or so?

Some hon. Members: Agreed.

Mr. Herridge: I want to say that here we have the hon. member congratulating both sides. It is obvious he has no greater understanding of Liberal policy than he had of C.C.F. policy when he was a member of this group.

(*Translation*):

Mr. Andre Gauthier (Lake St. John): Mr. Speaker, custom and tradition have given a great flexibility to the debate on the address in reply. That is why I shall take this opportunity to express personal opinions on special problems, especially those of particular concern to the people I have the honour to represent in this house.

Before going into the main part of my remarks, I should like to congratulate the mover (Mr. Hanna) and the seconder (Mr. Robichaud) of the address in reply to the speech from the throne. The well prepared speeches they have made reflect their knowledge of politics and of the problems of the day. Their constituents have reason to be proud of the choice they made at the last general election, a choice which they will no doubt renew with pleasure at the next election.

The agricultural class and the working class share about equally in the economic

activity of the constituency of Lake St. John. Generally speaking we are quite happy about our lot. The Aluminum Company of Canada which, together with the pulp and paper industry, is responsible for the industrialization of the district, has just undertaken works of immense magnitude on the Peribonca river, in the northern part of the constituency, in order to develop hydroelectric power to the extent of 700,000 horsepower. 1,500 men are already gainfully employed there and it is assumed that before the end of the summer this figure will have more than doubled. Before that project is completed, lines of vats for the production of aluminum will be erected at Ile Maligne so that the production of aluminum ingots in this locality should be equal to that of Arvida which is at present the greatest aluminum producing centre. It means that the working class is justified in hoping for a high level of employment and for reasonable salaries but, even though full employment brings prosperity to all sections of our economy, the situation of the farmer remains unstable and unsatisfactory.

Agriculture is a section of our Canadian economy to which the government must give particular attention; I am glad to see that the speech from the throne provides greater encouragement for agriculture.

On January 9, in the course of this debate, the hon. Prime Minister (Mr. St. Laurent) has shown that he is well aware of the situation of our Quebec farmers and of the importance, to the Canadian economy, of our agricultural element. That is the reason why the Senate investigation proposed by the government cannot but bring beneficial results for agriculture as a whole as well as an improvement of economic conditions for our farmers.

Meanwhile, a good way to help the farmers, as well as the workers with large families, would be to increase the rate of family allowances.

We are indebted to the Right Honourable Mackenzie King and to the liberal party for this excellent social legislation. I do not know of any other social measure offering as many advantages as the Family Allowances Act; it is the one that helps the largest number of Canadians.

Since 1945, the cost of living has increased substantially, so that the original value of the allowances has sharply decreased.

We are now facing a serious threat of inflation, which causes more concern to those who come under a measure of such a high social value.

I have received requests from several hundreds of my constituents who are asking the government to increase the rate of family allowances.

I support these requests, Mr. Speaker, for I know they are rightful requests. If the government could double those amounts it would be a very good thing, but the least that can be done is to give these social dividends the buying power they had in 1945.

Ever since I became a member of this house I have taken a keen interest in unemployment insurance. As a matter of fact, at the first session of the last parliament I asked that our bushworkers come under the Unemployment Insurance Act. I thought that the need for protection was greatest for those who are the most exposed to fluctuations in the labour market. That is why I did not hesitate to speak on their behalf in this house. And it was not in vain, since on April 1, 1950, bushworkers could qualify as all other workers.

When the law was revised, in 1955, I advocated the abrogation of the seasonal regulations concerning that class of workers. I wish to thank the authorities of the commission who saw fit to grant my request and the request which was made, the same day, by my colleague from Charlevoix (Mr. Maltais).

The purpose of the revision of the Unemployment Insurance Act was to extend its application to a larger number of people, and to increase the amount of the benefits. We have achieved our goal in part, but I thought I should make a suggestion to the hon. Minister of Labour (Mr. Gregg) in order to improve the lot of those who want to avail themselves of it to a larger extent.

Amendments to the act voted early last session had the effect of assimilating the rate of seasonal benefits to the rate of ordinary benefits and to extend to ten weeks the minimum period during which an unemployed person is entitled to receive such payments during the off season. When bringing in these amendments, the legislators had mainly in mind the human side of the question; this is why I too want to suggest that seasonal benefits should begin to be paid as from early December; a construction worker generally becomes unemployed at the end of November and such amendment as I just proposed would enable our unemployed to receive unemployment benefits before the Christmas and New Year holidays. What a comfort it would be to those people who are already in a plight after losing their jobs to receive benefits enabling them to buy at least the bare necessities of life at that time of the year!

Each of us still remembers with anxiety the events of last fall, when Israel, France and England, each in turn, invaded Egypt. Upon this occasion, our Prime Minister and our representatives in the United Nations played a most important part and history will recognize that Canada, in proposing the creation of an international police force, found the formula which prevented another world war. I must say that I was very proud of the firm attitude of our Prime Minister. His words and his deeds proved to the world that our country was an independent and sovereign country and that, consequently, it could take its own responsibilities and its own attitudes.

Afterwards, an incident occurred which emphasized a national weakness, namely the absence of a distinctive national flag. Hon. members will recall the refusal of Colonel Nasser to approve the presence of a Canadian battalion because the flag of that regiment contained a union jack which could lead to confusion with the British flag.

I have brought up this question of a flag two or three times in this house but, in view of its importance, I want to raise it again.

On December 9, 1953, seconding a motion introduced by my colleague from Bonaventure (Mr. Arsenault), I made the following statements which I would like to repeat today:

> We have achieved national unity through the efforts of the Liberal party and of those who have been its leaders for the past 50 years. It is also under Liberal administrations, and more particularly through the efforts of our present leaders, that our country progressed through the various stages that led to complete sovereignty and independence. The logical consequence of our previous moves would therefore be to endow our country with a distinctive national flag.
>
> There has been much thought of national unity. To my mind there is nothing more important for the furtherance of that national unity than a flag which, in every circumstance, should serve as a rallying sign for all Canadians. Every citizen of this country is proud of belonging to this great Canadian nation of ours. The best way to give concrete form to this pride is to adopt an exclusive Canadian symbol.
>
> Certain timorous individuals, more imperialistic than Canadian, fear that by doing away with the union jack we will weaken the ties that bind us to the commonwealth. To them I would say that the strength of the whole is the sum total of the strength of the parts. In any event these people should now understand that sentimental links are a thing of the past so far as Canada is concerned and that if we remain in the commonwealth it is because we find it to be in our interest, to begin with, as well as in the common interest of the free peoples and of the cause of world peace.

The present Prime Minister has stated on various occasions that he is favourable to the adoption of a truly distinctive flag, but he believes, wisely, in my opinion, that the taking of such a step must not be a matter for controversies sufficiently bitter to prejudice national unity.

Last Tuesday when the house opened, he said something which has given me an idea which I would like to pass on to the government. In congratulating the hon. Leader of the Opposition (Mr. Diefenbaker), the hon. Prime Minister said:

> I extend to the Leader of the Opposition our sincere good wishes in his new position and I wish to assure him quite seriously that I will be ready at all times to discuss with him in advance matters which need not be controversial on party lines and about which national unity might perhaps be best served by solutions that we could all recommend to those whom we represent in parliament.

Well, Mr. Speaker, I believe that the choice of a truly distinctive national flag should not be a controversial matter in Canada. That is why I am suggesting a conference of the four party leaders; if there are still some Canadians who do not favour a distinctive national flag, I say that the duty of the party leaders is to direct and guide public opinion.

Such a consultation would acquaint us with the opinion of the different party leaders and, I am sure, would bring about a unanimous feeling on a question so essential to Canadian sovereignty and to the independence of our beautiful and great country.

Before resuming my seat, Mr. Speaker, I wish to say that the population has heard with the greatest satisfaction about the settlement of the Canadian Pacific strike.

I wish to congratulate the hon. Prime Minister for his part in the negotiations. He has shown that, in this field, as well as in many others, he is a true leader for the Canadian nation. I am sure that, when the time comes, Canada will show him its appreciation.

(*Text*):

Mr. J. C. Van Horne (Restigouche-Madawaska): I wish to congratulate the mover (Mr. Hanna) and seconder (Mr. Robichaud) of the address in reply to the speech from the throne. It was indeed gratifying to note the spirit with which the mover of the address went out of his way to say a few words in the French language, thus recognizing the importance of the two languages in this country.

As I rise to speak in this debate let me remind you, Mr. Speaker, as I remind this house, that unemployment is still the No. 1 problem in my riding. While the government

stubbornly refuses to build the Campbellton-Cross Point bridge or to even divert some repair work to our only foundry, thousands of men are idle. Many of them do not have enough insurance stamps to benefit from the badly regulated and directed unemployment insurance commission. In the midst of the mythical and invisible prosperity, in the maritimes at least, of which the mover and seconder of the address boasted, stark misery, suffering and hardship are seen on every hand. The hon. member for Gloucester, the seconder of the address, unless he is much more misinformed than I think he is, is well aware of the hardships of his people, and his smug indifference to their plight must astound this house as it indeed astounds the people of his riding. He leaves me no alternative but to agree with many people in his riding that the hon. member would make a good baby sitter, but he is no representative of his people.

Undoubtedly this hon. member feels that so long as his people live in misery, want and hardship, the Liberal propaganda machine can again scare them into voting Liberal by making threats, at which the hon. member is an expert, that to vote anything but Liberal will mean the loss of widows' allowances, family allowances, old age pensions and so on. It is indeed a most fortunate omen that recent Conservative victories in the maritime provinces have killed this myth once and for all. Our people will no longer vote Liberal because of the fear,—instilled by crooked, dishonest Liberal propaganda—of losing their pensions. The flagrant swinging of this club has for years been the No. 1 tactic of the Liberal propaganda machine. More and more our people are awakening from their past indifference in federal politics and realizing how badly, how inefficiently and how wastefully this country is being governed. They are realizing how much worse off our citizens in this country are than they would be if we had a good federal government. They are realizing as never before that a freshly dedicated, conscious government must take over.

As we reach this inescapable conclusion we cannot escape the stark fact that only the Conservative party offers an alternative to this present dead, dormant and decadent administration. Never before in our history have our people been more aware that Canada has been putting up with half measures of the prosperity, security, and standard of living which would now be ours if only we had a good federal government, one dedicated to the welfare of the Canadian people, first and foremost; one more prepared to listen to the will of the Canadian people than the dictates of Colonel Nasser; one willing to give full opportunity to all the sections of our country and all of our people.

Let me just spend one minute on this tight money policy. In order to cure possible inflationary tendencies in central Canada, the government increases the economic depression already existing in the maritime provinces. This forces the small businessman to turn to the high-interest money lender, and the prices of many goods go up. Household appliances, cars and heavy equipment formerly financed by notes at the bank at reasonable rates of 5 per cent or 6 per cent are now being financed by finance companies at 16 per cent, 24 per cent and in some cases 50 per cent.

Is this government acting in collusion with the finance companies? Why do they overlook the fact that inflation results from the scarcity of labour or materials or both? In my riding at the present time one-fourth of the labour force is out of work, and many who are still employed are working for starvation wages in certain areas of my riding. One firm pays less than $30 a week for 10 hours a day, six days a week.

In the midst of prosperity we remain poor and provincial governments are crippled. Projects like Beechwood suffer. Municipalities, church bodies, school boards, towns and villages see their plans for providing urgently needed services dissolved while their people suffer for want of work, food, shelter and fuel. If ever we saw a government legislate a section of our country into deeper and deeper depression, we are seeing it now as we look across the floor of this house at the prima donnas of the Liberal tight money policy, as they pursue it and as they apply it.

Let me say a word about farming. The Minister of Agriculture (Mr. Gardiner) has indeed earned every epithet the farmers of my area and across Canada may be levelling at him. Personally I like the Minister of Agriculture. Although he stretches like an elastic band the credulity of our people when he speaks, he seems to be a good joker. How I wish he were also a good Minister of Agriculture. I wish we had a Minister of Agriculture who would at least take the trouble to come down to our riding and see the pitiful condition in which the farmers of Madawaska county find themselves. If he did, he would resign. This is no idle statement. If my friendly enemies on the other side of the floor should think otherwise, let me mention only one case.

Hon. members will recall the much-publicized aid to the potato growers for which we fought so long and worked so hard. Here are the results of that aid. The Liberal propaganda about it cost many times more than the amount of the aid itself. You will recall that in approving the plan to help our potato farmers, $500,000 was voted. But by the time this indolent government got the plan into operation, do you know how much aid was actually received? Let me refresh your memory. There was $5,000 actually spent, and $495,000 never reached our farmers. Is there any doubt now that this program was for publicity only and Liberal votes, not for help for our still hard-pressed farmers? This bird-brained saboteur of New Brunswick, the hon. member for Charlotte (Mr. Stuart), and the baby sitter from Gloucester cannot deny these figures because they were given to me by the department itself in a letter from the deputy minister. Only 9,100 barrels of potatoes were marketed under this plan, and only $5,000 in aid was expended. This is indeed a far cry, Mr. Speaker, from the Liberal bragging about $500,000 worth of assistance. One per cent of the amount got to the hard pressed farmers.

I was talking today to some very good Liberal farmers in Carleton county. Let me tell you that these farmers recalled how a few years ago 100 cargoes of potatoes would be shipped to Cuba. But that was before this government put an import duty on sugar, and as a result of retaliation by the Cuban government they now import less than one cargo of potatoes a year.

Mr. Gardiner: It was the Bennett government that did that.

Mr. Van Horne: False. Senator Pirie was not a senator during that regime. I can assure you that he was one of the men from New Brunswick, and a Liberal at that, who rose in the Senate and objected when it was adopted, and said publicly for everyone to hear that this was having a crucifying effect on the potato farmers of New Brunswick. If the farmers in my riding had a minister of agriculture things might be different. We want to know where he is; we never see him; we never even see his shadow.

Mr. Gardiner: I have been all over the province.

Mr. Van Horne: In my area we have a farm loan board, and it is a farce. First of all, the comfort-seeking investigators will not lower themselves to make an investigation of an application in winter time. Oh, no; it is too cold; they might get their feet wet; and our farmers have to need the money when it is convenient for the officials of the board to investigate their applications. Our farmers in Madawaska county and in the St. Quentin area speak French only. They do not understand, let alone speak, English. Why do you insist on sending investigators who speak not a word of French? However, these matters could be endured if only the loans were made, but one application after another is turned down, in many cases without even the semblance of an investigation being made.

Why cannot this government have more faith in our farmers, and why can it not smarten up and give to those farmers the consideration that it gives to foreigners? Why is it that unemployment insurance is refused to our farmers and our farmers' helpers? Our farmers keep complaining that they cannot keep hired men on their farms, and the reasons are not hard to find. The federal government chase our farm help away by their stupid refusal to make them eligible for unemployment insurance benefits. Who will deny that these men are the men who need unemployment insurance benefits the most? They work 14 hours a day in the summertime and have to lie idle for many months during the winter time. I ask you, what is your idea of justice? Of course, I realize that as long as we have the present misfit as Minister of Labour our farmers and our farm help will continue to be unjustly treated.

I speak, Mr. Speaker, for the forgotten people of this country, and it is high time this government stood up and took notice. The same situation applies to farmers who earn a living cutting pulpwood on their lands. They are denied unemployment insurance benefits. They work the hardest and under the worst conditions, but get the least. Unemployment insurance acts like a mythical life insurance company which would require a person to die four or five times before his widow could collect the insurance.

Another point I would like to bring up this evening is this. The north shore of New Brunswick is without air services. At the present time, in view of the budworm-spraying program, several good air strips are in operation. Very little would be needed to convert one of those landing strips, such as the one on the plateau above Robinsonville, into a first-class air field. Our people demand that the government convert this field into an airport and let the Maritime Central Airways, or Trans-Canada Air Lines, provide regular air service from this point. I mention this area because it would cost comparatively little to convert the present air strip into a first-class airport. The work

has already been partly done. Next summer it will be able to accommodate something like 50 or 60 airplanes at a time, and there is no reason whatever why one of those air strips, particularly the one above Robinsonville, because it is the handiest to all points in the area, could not be converted into a first-class airport. In view of the work already done the cost would be small.

By the way, what does the government intend to do about the pitiable state of some of our airports? The airports at Sydney, at Quebec city and at so many other places are as dull and drab as is the Minister of Transport himself. The dining service at these terminals is getting worse. It would appear that short-order cooks discharged from some of our lumber camps for inefficiency have taken over the catering at these airports. I ask, why is it that the meal service at terminals cannot approximate the meal service on the Canadian National Railways, for instance, or the dining service so much appreciated at terminals in Europe?

In the field of foreign policy Canada has, in the past months, with its subservient acceptance of Colonel Nasser's dictates, with the minister's cocky boasting, with the ridiculous attitude he has adopted toward Nasser's slightest wishes, slipped and slipped badly. Indeed, our Secretary of State for External Affairs has given the impression that Canada has become a little bulldog in a bow tie. I recall what the New York *Daily Mirror* said not so long ago in very plain terms:

> Come on, Mr. Pearson, no one in our country challenges Canada's greatness or sovereignty. Let us continue the world's finest example of international friendship in equality and mutual respect—with no backbiting.

I can assure this house and all the people of all countries that we in Canada resent this backbiting on the part of our minister and our government, and this nauseating kowtowing to Nasser's slightest wishes, just as much as the people of the other countries resent them.

Canada's entire military organization is replete with names denoting royal affiliations and traditions. To prevent the 17-year old untrained soldiers of the Queen's Own Rifles from seeing their families before being forced to leave for Egypt, and then to keep them stranded and in bounds in Halifax for weeks just because of the Nasser-Pearson partnership, with Pearson the junior and order-taking partner, is nothing short of an insupportable insult to all our troops and to the Canadian people.

An hon. Member: You are insulting your own party.

[Mr. Van Horne.]

(*Translation*):

Mr. Van Horne: You will allow me, Mr. Speaker, to deal in French with a few problems concerning particularly the Minister of National Health and Welfare (Mr. Martin) who, I am sorry to say, has just left the house, and the negligent way in which he directs his department. I understand perfectly, of course, that the minister is so full of himself and so possessed with the burning desire to see his picture in the papers, that he no longer finds the time to look after his own responsibilities. I urge him most energetically to forget his selfish and narrow-minded attitude and to think of our invalids, of the mothers of our families, of our children, of our older citizens who have been so cruelly abused by the federal government for the last few years. When you reach 65, you still have to be poor to receive a miserable pension of $40 and you have to be most careful about remaining poor not to lose it. How can one believe in justice if one remembers that the cost of living has almost doubled over the last ten years but the government still refuses to increase pensions and family allowances in a way which would be commensurate with this rise in the cost of living? Do you think that our pensioners can work miracles and live on $40 a month when even your statistics show that it takes at least $87.50 a month for a person to live?

The pension to disabled persons is as unjust as ever. I know hundreds of men unable to walk and consequently unable to earn their living, who cannot obtain this pension, little as it is. As I said, one has to be practically dead to obtain it and remain so to keep receiving it. In fact, unless our people can prove that the sole reason for which they are not dead is that they cannot afford funeral expenses, they are unable to obtain that pension. If, perchance, one succeeds in obtaining this pension, one loses it as soon as one enters the hospital or a rest home, that is at the very moment when it is most needed. If the minister calls that justice I suggest to him quite sincerely to go back to school.

Moreover, can the minister tell us what he has against children of unknown parents, so as to refuse to pay allowances to the institutions where they are kept at a heavy cost and sacrifice?

The minister is so infatuated with himself and is so fond of having his picture taken, of facing cameras, that he is no more aware of the suffering and of the hardship he is inflicting upon thousands of our unfortunate citizens. His crime is the more horrible considering that his victims are, mostly, children,

disabled people, mothers of families. The minister has only one thing to do: resign from his post. If he wants to chase cameras throughout the world, let him do so at his own expense, and not at the expense of the neglected citizens of Canada.

(*Text*):

Mr. Speaker, I was just speaking about the Minister of National Health and Welfare—

Mr. Byrne: Reading about him, you mean.

Mr. Van Horne: —and saying that if the Kodak kid spent half as much time looking after his department as he spends chasing cameras all over creation we would have a better department.

Last October I spent a few weeks travelling from capital to capital in Europe studying the social security systems operating in several countries, and in particular I studied the national hospitalization plan of the United Kingdom. I look across the floor of this house and I fix my regard on the minister. I ask him now as I will ask him again and again, what is wrong with his department and what is wrong with him? Is he going to sit there and proclaim that the Canadian people just do not deserve the same advantages as do our kinsmen in Great Britain, for instance? I visited doctors, nurses and hospitals and talked to patients. There is no escaping the fact that a crushing burden borne with such patience by our people in Canada has been lifted from the people of Great Britain in ridding themselves of hospital and doctor bills.

When I see dying people in Canada refused admittance to hospitals because they have not been able to pay their last hospital bill, and when I consider the vast improvement in the health of the English people and the many benefits of the system as it works in Britain I tell you, Mr. Speaker, that nothing short of the indifference of the Canadian government is responsible for not having established a similar system in Canada.

Mr. Herridge: Would the hon. member permit a question?

Mr. Van Horne: Would you mind waiting until I am finished, sir?

Mr. Herridge: Not at all.

Mr. Van Horne: One of the greatest tragedies in Canada is the failure of so many of our people to realize how badly we are governed. Under our National Housing Act and the Central Mortgage and Housing Corporation, and under the direction of a government interested in the welfare of the people, housing could become a solved problem; but the facts show in no uncertain way that countless thousands of Canadians are denied the right of owning a home for one or more of the following reasons.

1. The loan cannot be obtained. Stupid, overbearing and discriminatory regulations prevent loans being made in many areas where they are most needed, and the tight money policy stops the money-lending agencies from making loans.

2. The down payment is too high. Why cannot this government get off its high horse and adopt the United States housing plan, under which down payments are waived entirely for veterans and where the sum of $400 or $500 constitutes the down payment for a house costing from $10,000 to $12,000, as compared with the down payment of $3,000 or $4,000 required here to purchase a similar house? Our people have been so misgoverned and ill-treated for so long that they simply do not have the $3,000 or $4,000 needed for a down payment under the government plan, and our people with large families on limited incomes who need housing the most are pushed aside and denied the right to own their own homes.

3. Loan values are not permitted for houses already built. Here again, why cannot this government adopt the United States attitude and recognize that by its present stupid policy the government is making houses impossible to purchase because sufficiently large loans on them just are not available? The result is that our people who already have homes see their equity diminish and sometimes disappear as they are unable not only to sell their houses but must accept prices which cut out or reduce their interest or equity in them.

4. The present regulations and standards are unreasonable, and the interest rates are unreasonably high.

These wrongs can be righted without costing the government one cent. This is not a hand-out; this is a money-making proposition for the government. The government is making millions each year on the present loans, and this in spite of the costly palace which serves as headquarters for Central Mortgage and Housing Corporation and the terrific overhead and expense incurred in the running of this department.

In 1954 the government cleared over $14 million on these loans; in 1955, over $16 million. The profits are going up all the time. Is this not sufficient proof that the government can do better, and in regard to housing, as in regard to so many other things, place the Canadian people in the same position in which the United States government places

its people? How stupid can this government get? Think of the cruelty of which you are guilty as you prevent hundreds of thousands of good Canadian families from owning their own homes. This government has much to answer for, and it cannot escape the moral obligations confronting it.

Mr. Speaker, I would like to dwell for a moment on maritime rights, particularly as they relate to the report of the Gordon commission. Some progress has been achieved in having this government recognize the seriousness of the depressed economic situation in the maritime provinces. The premier of my province has emerged as the foremost champion of the long-ignored maritime rights. Never before have Canadians as a whole been so keenly aware that this country cannot and should not exist on the basis where one part enjoys a degree of prosperity, however meagre, while the Atlantic provinces are pushed aside and forgotten by this government.

Canadians are shocked to learn, for instance, of the government's recent gift of $35 million to India to build a hydroelectric project—not that we oppose foreign aid—

Some hon. Members: Oh, oh.

Mr. Van Horne: —while it still refuses to even endorse our note for $45 million to build the Beechwood project. I am not opposed nor do I think anyone could be opposed to foreign aid commensurate with Canada's position as a leading nation of the world, but we elected a government to look after the needs of Canada, and that is what we expect this government to do as its first consideration. Canadians are shocked to see government advertising proclaim that it will build 10 new bridges over the St. Lawrence, while it has stubbornly refused a miserly little bridge across the Restigouche river at Campbellton.

All our newspapers appear unanimous in their expressed opinion that remedial measures are needed to help equalize opportunities and the standard of living in the maritimes with the level of semi-prosperity that exists in central Canada. The Prime Minister himself has on several occasions acknowledged the backward and depressed economic conditions in the maritimes, and several ministers of the crown have confirmed this view. Therefore our problem at this time is not so much to acquaint this government with the conditions that exist, since we have finally succeeded in penetrating the thick wall of stubbornness, apart from a couple of saboteurs of New Brunswick whose blind stupidity prevents them from helping New Brunswick. The government realizes the conditions as they exist in the maritime provinces. In other words the first stage has been overcome, but our great problem now is to get this lazy and indolent government to move, to take action, to take the steps necessary to equalize the economic opportunity of all sections of our country, to give the maritimes justice and good government, which we have never received from this administration.

But now the escape tactic of the government has changed. Previously they said everything was fine in the maritimes; previously the government was blind. Now the escape tactic is: "Tell us how we can help you?" Now, Mr. Speaker, just who is this government trying to fool? Has it the effrontery to stand here and tell us in the maritimes that we have not stated, again and again, what our needs are and what measures must be adopted to equalize our economic situation and advantages with those of upper Canada. From that first day, the first day of confederation, the day on which so many of our forefathers flew the flag at half mast, our representatives of the maritimes, apart from those who were blinded and silenced by this trained seal, safe seat somewhere Liberal subservience, have risen and spoken for the maritimes.

At the time of confederation, as an inducement to influence the maritimes to enter confederation, the Chignecto canal was to be the No. 1 project to help New Brunswick and Nova Scotia maintain their transportation advantages in regard to their advantageous pre-confederation trading position and to help overcome the back-seat trading position they had to accept as they entered confederation.

I will not repeat all the statements I made last year concerning the Chignecto canal, but briefly it would permit a whole new industrial expansion program to come about in the areas adjacent to the canal, and would give New Brunswick and Nova Scotia the advantage of cheaper transportation. Transportation in the maritime provinces is as much a stumbling block to progress as lack of power. We demand, as we have demanded over the years, drastic reductions in transportation rates to the full extent needed to permit competition by maritime producers and manufacturers in confederation-made markets. We demand action, and we demand it now. We demand a whole, new and complete revision of our freight rates act. In other words, we have demanded and we demand again a new deal for the maritime provinces.

Power has long held us up. Even today the pulp mill at Dalhousie is held up for lack of power. Every day opportunities to develop our mines are lost because of lack

of power. Let us look at what this government did and what it is doing regarding the position at Beechwood. If ever a government went out of its way to give a province a slap in the face, to reduce its federal Minister of Labour to a choreboy of the cabinet, to insult a province, it was when this government refused to sign our note to let us borrow money at a lower rate of interest to build the Beechwood power project. We did not ask for one cent; we asked for a signature only. But we got insults instead, and this at a time, Mr. Speaker, when hundreds of millions were being given away to build power projects in other countries.

Lack of capital for our industrial development has also held us up for a long time, and don't think for one minute that the industrial development bank does more than render lip service in the maritime provinces. Why does the government not adopt the United States attitude and help out? The industrial development bank could become an effective means of helping the maritimes, but at present it is failing miserably.

A word about the Gordon commission. I hear Liberal members complain that the Gordon commission is making statements that the government should pay people to move out of the maritimes. Well, Mr. Gordon, very reluctantly I suppose, came to the conclusion and was so convinced that this government would do nothing for the maritime provinces that the least it could do was to buy tickets for those who wanted to leave. What other alternative did Mr. Gordon have? Why get up and blame him for telling the truth? He confirms what has been said time and time again. It is a fact. The report said that the average income in this region continued to lag behind the average for the rest of Canada. In 1955 average income per family was 31 per cent below the average for the other six provinces and, the report continues, there is a disparity of 37 per cent on a per capita basis. The fact remains, the report says, that living standards are lower in the Atlantic provinces than in the rest of Canada, and that it is in everyone's interest to reduce this differential.

I feel this government has now been told what it has always refused to believe. Mr. Gordon says in this report that it is not suggested that this assistance should be affected by hand-outs or ad hoc projects. Surely when New Brunswick asked the government for the endorsement of its note we were not asking for a hand-out. "They are as unpalatable", Mr. Gordon says, "to the recipient as to those who must foot the bill", to quote the report.

> What is required is a positive and comprehensive approach to the problems of the Atlantic region. With this as the objective it is suggested that the people of Canada as a whole may be willing to assist the people of the Atlantic provinces in discovering, developing and making the best use of resources in that area.
>
> If it should turn out that there is not the necessary combination of resources in sufficient quantity to permit a substantial rise in the standard of living in the Atlantic region generous assistance should be given to those people who might wish to move to other parts of Canada where there might be greater opportunities.

I could think of a few people who might very well take that advice. The hon. member for Charlotte, for instance; maybe he will take that advice or the advice of Premier Smallwood of Newfoundland, who incidentally happens to be a Liberal. He said:

> Every year that passes, no matter how we strive, no matter what risks we take or what gambles we risk—every year that passes leaves us relatively weaker compared with the rest of Canada.
>
> How long can this go on? The people will be sucked irresistibly into richer and more attractive parts of Canada. We are not willing to lie down and die on the Atlantic coast. We shall kick up such a devil of a row that we shall make them ashamed.

He added some hopeful words at that time. Premier Smallwood prophesied that the Gordon commission would produce a new charter for the Atlantic provinces and that confederation would begin to mean just and equal treatment for the Atlantic provinces.

There was the prophecy and the Gordon report is the reality. As one of the newspapers said, "We say thank you very much, Mr. Gordon—thank you for nothing; we knew all about it before you said those things".

Mr. Speaker, I see my time is about up. There are a few more subjects I would like to discuss. I have not approached the subject of unemployment insurance, which in my riding and in many sections of this country continues to be one horrible mess. We see big families whose fathers work at seasonal jobs, jobs that do not give them the required number of stamps, and I have visited families in distress because of this; I have seen them time and time again. I have brought hon. members of this house to visit families where there were no fires in the house and where an orange crate was used as a cupboard, often with very little in it and sometimes nothing at all, simply because these people lacked two weeks of stamps. They have to eke out a living as best they can, simply because this government has refused to give them unemployment insurance benefits. Why call it unemployment insurance if it is not going to be that?

It is not the fault of these people. I speak today for the suffering people of this country of whom this government is not aware, judging by its actions and especially with regard

to unemployment insurance. I am sorry the Minister of Labour is not here in his place tonight, because I have a few things to say when he is here and I will wait until he comes into the house before saying them.

An hon. Member: He will be here.

Mr. Van Horne: I will wait till he comes. There can be no doubt in anyone's mind that the people of the country expect more of the unemployment insurance commission than it is doing with over $950 million in reserve. Surely methods can be adopted to reduce the number of weeks required to obtain unemployment insurance. What possible reason can you give? I look across the floor at this baby sitter, the hon. member for Gloucester, and I know full well the conditions that exist in his riding, and how the people are suffering. I ask, "Why are you hoarding this money?" Why is the government not taking steps?

Mr. Robichaud: We are not buying anything.

Mr. Van Horne: Mr. Speaker, I call it ten o'clock.

Mr. Herridge: Will the hon. member permit a question?

Mr. Van Horne: Certainly.

Mr. Herridge: The hon. member has eulogized the British national health scheme. If the present government introduced such a scheme, would his party support it?

Mr. Van Horne: I will say this. You read the manifesto of the Conservative party.

Mr. Lesage: You say nothing.

Mr. Van Horne: You know very well that the Conservative party has for many years past advocated and pleaded for a system of national hospitalization which would—

Mr. Lesage: Oh, oh.

Mr. Van Horne: This misfit minister of the neglected Eskimos should wait until I finish my remarks.

Some hon. Members: Oh, oh.

Mr. Van Horne: We stand for good government, and we will give good government after June 17 next. I must say I am not through my remarks. I am calling it ten o'clock. I adjourn the debate.

Mr. Speaker: In fairness to the hon. member I must say to him that I have been informed by the deputy clerk that his time expired at 10.01, and that was just prior to the time the hon. member for Kootenay West asked him a question.

Mr. Knowles: Which he did not answer.

On motion of Mr. Weir the debate was adjourned.

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

HOUSE OF COMMONS

Tuesday, January 15, 1957

The house met at eleven o'clock.

CIVIL SERVICE ACT

AMENDMENT TO GIVE PREFERENCE TO BILINGUAL CANDIDATES

Mr. Fernand Girard (Lapointe) moved for leave to introduce Bill No. 10, to amend the Civil Service Act.

Some hon. Members: Explain.

Mr. Girard: The purpose of this bill is to grant a certain preference to bilingual competitors for appointment as the result of civil service examinations.

Motion agreed to and bill read the first time.

REPRESENTATION ACT

AMENDMENT TO CHANGE NAME OF CONSTITUENCY

Mr. Fernand Girard (Lapointe) moved for leave to introduce Bill No. 11, to amend the Representation Act.

Some hon. Members: Explain.

(*Translation*):

Mr. Girard: The purpose of this bill, Mr. Speaker, is to change the electoral designation of Lapointe to that of Jonquiere-Kenogami-Arvida.

(*Text*):

Motion agreed to and bill read the first time.

THE CANADIAN ECONOMY

GORDON COMMISSION REPORT—NATIONAL ENERGY AUTHORITY

On the orders of the day:

Mr. J. G. Diefenbaker (Leader of the Opposition): I should like to direct a question to the Minister of Trade and Commerce. Does he agree with the suggestion of the Gordon commission respecting the need for the establishment of a national energy authority as set out on page 57 of the report? Will he also say whether in his view there is any probability at this time, in view of the strong recommendation made by the commission in that regard, of the implementation of that section of the report?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I have never considered the matter. The decision would be a matter for the government rather than for one minister, and I do not care to express an opinion at this time.

IMMIGRATION

HUNGARIAN REFUGEES—HANDLING OF SPONSORED CASES BY VIENNA OFFICE

On the orders of the day:

Mr. Alistair Stewart (Winnipeg North): Mr. Speaker, I should like to direct a question to the Minister of Citizenship and Immigration, of which I have given him notice. Will the minister comment on the statement in the *Financial Post* issue of January 12 that the Canadian visa office in Vienna is now handling only "sponsored" or "special" cases of the Hungarian refugees?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, that statement is substantially correct. Late in December I gave instructions that only sponsored cases should be handled in the office in Vienna and that the selection of other people to come to Canada should be made by teams going into the camps. If you will permit me to give an explanation, sir, I think perhaps hon. members would be interested to know why I gave that instruction. About that time it was beginning to be apparent that some of the latest arrivals in Austria from Hungary, by coming direct to the office in Vienna, were getting ahead of others in the queue. It seemed to me that those who had been waiting longest in the camps should have at least an equal opportunity to come. I thought it was much better to have the general selection done in the camps, and that is what is being done now for the movement in February.

HOUSING

AVAILABILITY OF FEDERAL LOANS FOR GROUP UNITS

On the orders of the day:

Mr. Michael Starr (Ontario): I should like to address a question to the Minister of Public Works. Can the minister advise whether, during the year 1957, contractors and builders will be able to secure loans for the purpose of building homes in groups of, say, 20 to 25? If so, from what source?

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, I anticipate that the facilities under the National Housing Act will be in operation in 1957 just as heretofore. There will be some difference in the matter of degree but the facilities of the act will be available.

Mr. Starr: Am I to understand that the minister advises the house that these builders will be able to secure loans during 1957 for the building of homes in groups of, say, 20 to 25?

Mr. Winters: I anticipate that they will. It is a matter of selective credit. The banks and lending institutions will determine to whom credit will be awarded. But as I say, the facilities of the act will be available throughout 1957.

CANADIAN NATIONAL RAILWAYS

STATEMENT ON POSITION OF EMPLOYEES RELIEF AND INSURANCE ASSOCIATION

On the orders of the day:

Hon. George C. Marler (Minister of Transport): On Thursday last the hon. member for Hamilton West (Mrs. Fairclough) directed some questions to me concerning the Canadian government railway employees' relief and insurance association.

I have made inquiries of the management of the Canadian National Railways and all I can say is that the railway company is continuing to make the payroll deductions that it made formerly, but any questions regarding the status of the association would have to be directed to the association, which is, of course, an organization of the employees.

Mrs. Fairclough: May I ask the minister a supplementary question? From that statement am I to understand that the deductions are continuing to be made for both the health and the insurance angles of the scheme or just for insurance alone?

Mr. Marler: My understanding is that the deductions are in respect of payments to be made by the employees to the association.

Mrs. Fairclough: The same as previously?

Mr. Marler: The same as before.

PENSIONS

INQUIRY AS TO INCREASE IN CANADIAN NATIONAL RAILWAYS MINIMUM PENSION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Minister of Transport. Has the minister received, since the end of the regular session of last year, representations on behalf of the retired employees of the Canadian National Railways, whose pensions are limited to the $25 a month, for an increase in the amount of the pension? Has further consideration been given to this matter or will such further consideration be given by the minister or by the government?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I am afraid that, offhand, I am unable to say whether or not written representations have been received. I shall have to look into my files and see whether any have come to hand.

UNEMPLOYMENT INSURANCE

RECIPROCAL AGREEMENT WITH STATE OF MAINE

On the orders of the day:

Mr. J. C. Van Horne (Restigouche-Madawaska): Mr. Speaker, I should like to direct a question to the Minister of Labour. Has the minister been successful in negotiating with the state of Maine a reciprocal agreement with regard to unemployment insurance benefits?

Hon. Milton F. Gregg (Minister of Labour): No, Mr. Speaker, not yet, but progress is being made.

FISHERIES

REFERENCE TO REPORTED CONFERENCE IN HAMBURG

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like to direct a question to the Minister of Fisheries. In the press this morning it is reported that Canada will participate in an international fishing gear conference in Hamburg next October. Is that report correct? If so, would the minister explain to the house just what is the main purpose of that conference?

Hon. James Sinclair (Minister of Fisheries): I am sorry I did not see the press account and I am also sorry I did not know about the conference, but I will find out.

COMBINES INVESTIGATION ACT

NEWSPRINT—REQUEST FOR INVESTIGATION INTO INCREASED PRICES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Justice? In view of the recent increases in the price of newsprint will the minister ask the restrictive trade

practices commission to investigate the circumstances of these increases and determine whether there are any elements of price fixing or restraint of trade?

Hon. Stuart S. Garson (Minister of Justice): I shall be glad to make a statement upon that subject tomorrow.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Monday, January 14, consideration of the motion of Mr. R. F. L. Hanna for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Diefenbaker, and the amendment to the amendment of Mr. Coldwell.

Mr. Lucien Cardin (Richelieu-Vercheres): I am happy to join members on both sides of the house, Mr. Speaker, in congratulating the mover (Mr. Hanna) and seconder (Mr. Robichaud) of the address in reply to the speech from the throne. Apart from the interesting subject matter and the eloquent delivery of the speeches, I was particularly struck by the fact that Canadians from different ethnic groups addressed the house in both official languages. In my opinion the effort made by these hon. members, as well as by many hon. members on both sides of the house, to master both the official languages of our country, is the best guarantee and the best proof that Canada can and will become truly bilingual. I feel also, Mr. Speaker, that if we use all the means at our disposal for keeping the respective languages and cultures and traditions in their purest possible form, then a richer and more profound Canadian culture embodying the best of both ethnic groups can and will evolve.

For almost a year now, Mr. Speaker, it has been my great privilege to work relatively closely with the Department of External Affairs and to study and observe, perhaps more closely than I would otherwise have done, the extraordinary evolution that has taken place in the world over the last half century. As a result of this evolution, there has arisen a greater interdependence amongst states and from this has equally arisen a totally new concept of what international relations must be if the world is to continue to exist and world peace is to be achieved. This concept of modern international relationships has been clearly written in the charter of the United Nations which, as you know, has been signed and ratified by some 80 nations in the world.

Personally, I am convinced that in spite of the weaknesses that are attributed to the United Nations, international conflicts even at this time can best be resolved and world peace accomplished through the medium of a body which is relatively independent and collectively free of any particular interest in the different international issues at stake. As hon. members know the United Nations charter prevents it from using the authority and the power that it might require to solve international problems effectively and quickly. The granting of much greater power and much greater authority to the United Nations could be interpreted as a step towards world government. Perhaps the time has not yet come to take such a step, and yet perhaps the time is rapidly approaching when such a step will have to be taken.

Two things strike me very forcibly in looking back over the events of late 1956, and in which perhaps we can foresee things to come. The first of these is the unprecedented power and strength of world opinion, so forcibly expressed at the United Nations not so long ago. The second is the accompanying general feeling of despair and indignation because the world was made to witness, and is still being made to witness, horrible crimes committed by the U.S.S.R. in Hungary without being able to lift a finger to stop the atrocious crime of genocide against the Hungarians. To my mind, Mr. Speaker, world opinion has become more than ever before an extremely important factor in the relationship of states, to which no state, no matter how powerful, can afford now to be indifferent.

As you know, the formulation and expression of world opinion are the direct result of the functioning of United Nations as a world forum. The interest and the solicitude of states to what is happening in other parts of the world, replacing the indifference and the isolationism of other generations, are also a direct result of the remarkable but unfortunately largely unpublicized achievements of the United Nations in the economic, social, humanitarian and cultural fields, which are certainly the true, solid infrastructure, not only of the United Nations, but of world peace as well.

I cannot help but feel, Mr. Speaker, that the Hungarian tragedy, as witnessed and judged by the United Nations, has eloquently revealed the shocking dangers of the United Nations' fundamental weakness. It has brought into clear and proper focus the fact that if the United Nations is to continue to survive, then it shall have to take the necessary steps and the necessary measures to avoid a repetition of acts which are not only contrary to the charter of the United Nations but are contrary to the elementary and basic principles

of humanity and justice. More than ever before the world looks toward the United Nations to solve efficiently international conflicts, and it expresses very bitter disappointment and disapproval whenever the United Nations fails to act quickly and promptly; and yet the very people who deplore the weaknesses of the United Nations are the very ones who are the most hesitant to give to the United Nations the power and the authority it requires to act decisively.

At the present time the United Nations is in an intolerable position. It will have to move either forward or backward. If it moves backward and the United Nations collapses, then to my mind it is world suicide. If it moves forward and acquires the necessary authority and power to act decisively, then it entails a loss of some part of our conception of national sovereignty. The question that the peoples of the world have to answer even at this time is what price they are willing to pay for world peace, and for the maximum amount of international justice and security for all nations, large and small.

I do not propose at this time, Mr. Speaker, to go into any details of the current international situation. The Prime Minister (Mr. St. Laurent) and the Secretary of State for External Affairs (Mr. Pearson), in the emergency session, made a complete report on that situation and yesterday the Secretary of State for External Affairs, I believe, brought the house up to date on developments since that time; but I should like to say a few words on the Department of External Affairs. In order not to be accused of grossly lacking in modesty, may I remind hon. members that a parliamentary assistant is not a bona fide member of the department to which he is attached. I cannot therefore claim any credit for the excellent work that is now being done by the department.

During the past year I have had the privilege of attending several international gatherings and I feel quite convinced that very few Canadians indeed realize the esteem in which the Secretary of State for External Affairs (Mr. Pearson) and the Department of External Affairs are held abroad, nor do Canadians generally realize the extent to which nations from all parts of the world look to Canada for guidance and support in international affairs. Surely this fact can be interpreted as a very nice compliment to the Secretary of State for External Affairs and to his department, but from this fact we must also infer a great and growing responsibility for Canada.

The Department of External Affairs, as you know, is a relatively young one and it is now in the throes of rapid expansion. The demands that have been made for foreign service officers to fill necessary posts abroad, for the several truce commissions where Canadian participation could not be refused and more particularly to fill the ranks of the numerous divisions in the department, are so great that there is a danger the department may become understaffed. In spite of the fact that efforts have been made to encourage young men to enter the department, it has been extremely difficult if not impossible to get them in sufficient numbers and of sufficient quality to maintain the high standards of representation for which Canada is noted.

Fortunately it is not too difficult to find the reason for the present shortage of qualified candidates. To my mind the remuneration being offered is not commensurate with the training, the capacity and even the sacrifices that are demanded of a foreign service officer. Without labouring the point, I would suggest that if the government wishes to maintain its high standard of foreign service officers first of all by retaining the service officers they now have in the department and by acquiring additional qualified candidates, then I believe the government shall have to bring the remuneration now being offered into line with what is being paid to people of equal capacity and equal training working in other fields of our economy.

One of the first problems I encountered upon entering the department was a very abnormal delay in the translation of important speeches and documents arising in the department. On making inquiry it was found that the translation staff in the department was severely undermanned. Since then the Secretary of State has authorized additional translators for the department but as yet it has been impossible to find additional translators. Not because there are no translators available in Canada but rather because the remuneration that is being offered is not sufficient to encourage persons to apply for the position. What is true in the Department of External Affairs may be equally true in other fields and in other departments, and I would suggest that an inquiry into this field might be useful and timely if we wish to maintain the high standard of personnel we now have in government services.

Mr. Speaker, there is one last subject upon which I would like to say a few words. Just recently the preliminary report of the Gordon commission was published. This, of course, is a study of the numerous suggestions made over the years as to which way the government might go in order to achieve

Canada's full economic potential. In conjunction with this report I should like to make a few very general remarks which could be interpreted as being a different aspect of the same thing.

It appears to me somehow that although Canadians generally realize that the economic, social and political changes which are taking place in the world today have a direct and important bearing upon our economy they sometimes act individually as though Canada were a self-sufficient island completely independent and secure from world economic trends. They seem to think also that although foreign economic policy may be an interesting academic exercise it really cannot affect our economic potential as guaranteed by our incalculable natural resources. I am afraid the bitter truth is that if Canadians generally do not have the moral strength or the moral courage to adapt our economy to world economic trends and if we are not prepared to face present and future economic problems in an energetic, imaginative and selfless effort to solve them, then we are not going to achieve the economic potential on which we are counting so much even now.

I presume I shall be accused in many quarters of being a pessimist, but this again is relatively unimportant if sufficient public attention can be paid to the warning signs that are now beginning to appear on our economic front. Among some of those warning signs I think we should certainly count the increasing foreign competition which is already beginning to be felt in our country, particularly from West Germany and Japan. I think it would be most unwise indeed not to envisage greater competition from a greater number of countries abroad in the future.

As we all know, the imposition of higher tariffs to protect particular industry and prices is not the answer to the problem of competition simply because we are not a self-sufficient country and must count on imports and exports as an integral part of our economy. As we know, the imposition of higher tariffs in Canada would result immediately in the imposition of higher tariffs by other countries and the subsequent decrease in our exports would seriously affect our national economy.

The solution of this problem has to be sought elsewhere and it seems to me that in accepting the advantages of a free enterprise system one must also be ready to accept the responsibilities that go with it. The problem of competition facing particular industries should be seen, studied and solved by the industries themselves as part of that responsibility. Industry in Canada has grown to its present importance by standing on its own two feet and solving its own problems. To my mind that is not only the best, but it is the only way of solving these problems if we are to continue enjoying the free enterprise system in Canada.

Another aspect of the problem of our expanding economy is the difficulty in maintaining a balance between our increasing national production and our population. In certain quarters of this country immigration is looked upon as a source of dislocation of personnel if not of unemployment in Canada. However I feel sure that Canadians generally have the moral strength and conviction to understand and to endure the local and temporary discomforts created by immigration simply because our expanding economy demands a greater labour force and a greater home market.

Inflation is another economic problem that must be faced squarely by the Canadian public, as Mr. Muir has pointed out in the report of the Royal Bank of Canada. Methods of controlling inflation such as increasing the interest rate of bank loans, restriction of credit and any other methods of maintaining a healthy balance between available goods and the Canadian purchasing power are bound to be unpopular and give rise to a great deal of criticism and complaint. Yet everyone knows that without these economic disciplinary measures our promising Canadian future can very well be seriously jeopardized.

In the present economic situation, where there is a strong tendency toward inflation and where there is at the same time a large budgetary surplus, I feel that the best way of continuing to combat inflation and of continuing to help the general economy of the country is by engaging in the construction of essential national projects such as the St. Lawrence seaway. While I am on this subject, I should very much like to congratulate the government, the Hon. Lionel Chevrier and the St. Lawrence seaway authority on the very efficient manner in which they are carrying out what is certainly one of the greatest projects in the world.

As an important corollary to the St. Lawrence seaway, I would suggest that the project proposed by my predecessor in 1937, authorized and even started by the government, and subsequently postponed because of the second world war, be now continued. As hon. members will recall, this project called for the building of a seaway from the St. Lawrence river at Sorel along the Richelieu river to lake Champlain and across lake Champlain and down the Hudson river to New York. The United States would, of course, look after the American side of the particular project. I do not believe I need insist very much on the importance of this

seaway, and although I am merely mentioning the project at this time I should like to give fair warning that I at least will do all I can to see the project put into effect as soon as possible because I believe sincerely that not only is it justified but to my mind it is an essential economic development for Canada as well as for the Richelieu river area.

Mr. Speaker, as you can see I am not really a pessimist. On the contrary, I have the greatest hopes for Canada's future. However, I do feel that if we are to reach our objective all Canadians, individually and collectively, will have to face and assume their respective responsibilities. Among these responsibilities there is one which is fundamental and yet which is sometimes ignored. It is this, that no particular interest of any one particular group of our economic life can justify endangering the common good.

As an example of what I mean, may I say that in settling the recent C.P.R. strike the Prime Minister (Mr. St. Laurent) was the true champion of the common good, but I firmly believe that the fundamental responsibility was not the Prime Minister's. The common good in that particular instance was the direct responsibility of the C.P.R. and the firemen's union. They should have been able to solve their problem and come to some settlement by themselves on the strength of the responsibility that they both have to the Canadian people.

Perhaps I can make my point a little more forcibly by reminding hon. members that the persistent danger of communism is an economic one arising from ideologies which are the antithesis of our democratic form of life and our free enterprise system. If communism does not soon crumble, as we all hope it will, then sooner or later we shall have to compete economically with a form of government which recognizes no rights of individuals or groups of individuals but which channels all the energy, all the labour, all the genius, all the wealth to the exclusive use of a state which is not responsible to the people of that state. We shall also have to compete equally with state monopolies which are geared to the highest capacity of production and in which the only labour code that exists is maximum working hours for the least possible pay.

I think it would be a disastrous mistake to underestimate the dangers of an economic war with communism under those conditions. It may not be very pleasant but I think that perhaps it might be a very useful exercise to reflect seriously on these considerations in order to stop what I am afraid is a growing tendency toward materialism and toward self-centredness in the different fields of our economic, social and political life. God has been extremely generous to Canada. He has given Canada everything we possibly need to make our country a strong, prosperous and happy country in which to live. But what we do with these God-given gifts is to my mind the direct and personal responsibility of each Canadian and each group of Canadians as well as that of the government.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, we are discussing the address in reply to the speeech from the throne and the amendment moved thereto by the Leader of the Opposition (Mr. Diefenbaker) in the light of the fact that we are approaching a general election in the Dominion of Canada, and everything that has been said in the course of the debate so far has been, I think it is fair to say, said in the light of that fact. We were reminded of the fact that an election is imminent in the speech of the Prime Minister (Mr. St. Laurent) himself in which he replied to the speech of the Leader of the Opposition and in which the right hon. gentleman left no doubt that an election would shortly be upon us. We were reminded of it by, amongst other speakers, the hon. member for Macleod (Mr. Hansell) in what I think I may fairly call a rather ungenerous and certainly very over-optimistic speech in which he made certain forecasts as to the results of that election, particularly in western Canada.

I do not wish to criticize the hon. member for being optimistic with respect to the fortunes of his own party but I think it is necessary to say that his forecasts will not be realized. It was significant that, in making his forecasts of success, he confined his attention exclusively to western Canada. I suppose that the reason is obvious in that to date his party has had some limited success in the provincial sphere in that part of the country, but the fact was very conspicuous that he did not make any forecast east of the great lakes. The hon. gentleman based his forecasts on the statement, as he put it, that his party was a party of principle.

I base my forecast of the lack of success of the Social Credit party on the fact that the people of Canada will realize that the situation that led to the success of that party in the provincial field is not duplicated in any sense in the national field. I also base it on the fact that Social Credit principles most certainly are not being applied by the provincial governments which bear that name. Inasmuch as the hon. gentleman has made it clear that the appeal of the party nationally

will be on the basis of Social Credit principles, I forecast that the appeal will be rejected because the people of Canada are not interested in Social Credit principles as enunciated by Social Credit spokesmen.

I make my forecast also on the basis that the Conservative party is a party founded on principles which established this nation, which are valid today and which are being restated and given fresh meaning under the dynamic leadership of the new Leader of the Opposition who is himself a western Canadian who knows and understands the true application of those principles to western Canada as well as to the whole of the nation. Under that leadership, with that dynamic reassertion of Conservative principles, the people of Canada will respond from west to east and will turn in increasing numbers to the Conservative party, rejecting the principles which the Social Credit party put forward.

I base my approach, however, to the fact of an election much more on the statement of the Prime Minister (Mr. St. Laurent) than on that of the hon. member for Macleod (Mr. Hansell). It is with respect to government policies and actions that we have phrased the motion of non-confidence that was moved by the Leader of the Opposition (Mr. Diefenbaker) on January 9. It is with some aspects of that motion of non-confidence and the contrasting position of the two parties—I refer to the government party and the Conservative party—that I wish to deal today.

The motion of non-confidence reads as follows:

> We respectfully represent that Your Excellency's advisers, by reason of their indifference, inertia and lack of leadership in the face of serious national and international problems and their disregard of the rights of parliament, are not entitled to the confidence of this house, and have lost the confidence of the people of Canada.

There are two particular things I want to mention as being issues in an election and as being facts which this house and this country will never lose sight of. The first is the conduct of the government over the years, culminating in its actions during the pipeline debate last year, when not only the supremacy of parliament but the very continuance of parliament itself as an effective instrument in our democratic process, and the very principle of responsible parliamentary government, were threatened with extinction.

The second thing that the house and the country will never forget—and should never forget—is the unsatisfactory record and attitude of this government over the years with respect to the British commonwealth of nations, culminating in the casting of a vote in the United Nations General Assembly last November on the side of the United States and Soviet Russia and against our oldest friends, France and the United Kingdom.

The attitude of the government is also mirrored in the words of the Prime Minister on November 26 when he described the government of the United Kingdom as amongst the "supermen of Europe" and when by his words, he placed that government and the government of France in the same category as that of the communist aggressors.

Mr. Speaker, not all the honeyed words used by the Secretary of State for External Affairs (Mr. Pearson) and the Minister of National Health and Welfare (Mr. Martin) yesterday, in an obvious attempt to restore the situation and to persuade the people of Canada to forget that attitude on the part of the government, can ever remove the impression created with respect to the attitude of this government or remove from the minds of the Canadian people proof of where this government stands with respect to the British commonwealth of nations.

On the first point—with respect to the conduct and attitude of this government towards the supremacy of parliament and responsible parliamentary government—not much more needs to be done than merely to remind ourselves of the facts and the issues involved. Over the years we have seen a constant process of attack by erosion on the principles of the supremacy of parliament. It is not the supermen of Europe in this field that should concern us but rather the would-be supermen of Canada who would supplant responsible parliamentary government by cabinet dictatorship.

We saw the process brought to a peak in the defence production bill of 1955 when the rule and dictatorship of one man would have been substituted for parliamentary government. That attempt was not successful but it was carried forward and culminated in the conduct of the government during the pipe-line debate of 1956 where, for the first time in the history of a free parliament under our system, we saw an attempt to throttle debate before debate had even begun. We saw an attack on the principle of responsible parliamentary government to which the members of the government will pay lip service. They will tell the people of Canada, "Of course we believe in the principle of the supremacy of parliament and responsible parliamentary government." But the people of Canada realize that you can have responsible parliamentary government—that is that a government can be held responsible by and to parliament—only when parliament has the opportunity to examine and to discuss the government's proposals

and actions. Here we saw a deliberate move, supported by the Liberal majority and the Social Credit party in this house—and supported by the Social Credit unanimously on every occasion but one—to prevent parliament from discharging its function and duty of examining the government's proposals.

Mr. Studer: Mr. Speaker, might I ask the hon. member a question?

An hon. Member: Wait till he has finished.

Mr. Studer: Did not the socialists introduce right at the beginning of that debate a resolution to prevent the matter from coming before this House of Commons? Did they not do that right after the beginning of the debate?

Mr. Fulton: No.

Mr. Studer: I think you will find that they did, if you will look at the record.

An hon. Member: Sit down.

Mr. Fulton: Today we see the same attitude reflected in the words of the Prime Minister, namely the attitude that discussion counts for nothing, that parliament has no right to discuss because, after all, all that matters is the will of the majority, a majority subservient to the government and doing exactly what the government tells it to do.

The government's position is that the merits of an issue are irrelevant, immaterial and should not be discussed. Everything will be decided by the vote. Why bother to discuss it? Let us have the vote now: that is exactly what the government said last session and it is what the Prime Minister (Mr. St. Laurent) said the other day. After the Leader of the Opposition (Mr. Diefenbaker) had in a masterful speech exposed some of the issues before this house, issues which will be before the people of the country, what was the Prime Minister's answer? He said, oh, you may criticize but that does not matter because shortly we shall go through the process of "counting noses" and then all the issues will be decided.

The constitution, the rules of parliament, precedents, unwritten laws and even written laws, the merits of the situation count for nothing, and the only thing that counts in the minds of this government is the noses of the majority.

Mr. Pickersgill: Does the hon. gentleman think the minority should decide?

Mr. Bell: You wanted the minority to decide on the strike.

Mr. Fulton: You see, Mr. Speaker, it is by remarks such as that that it is made so clear that the government, and especially the Minister of Citizenship and Immigration (Mr. Pickersgill), do not have the faintest understanding of the essence of parliamentary government. Of course we do not say the minority should decide, but we do say the minority has rights. We say the minority has the right of discussion. The minister and the government say there is no right of discussion; all that matters is the number of noses that are going to be evident on the side of the government. Of course, one can understand how they would arrive at that line of action because you see over there supporting them, unfortunately, so many members who are content to be deprived of the right of discussion and who are content apparently to abide by whatever the government says should be done.

The moment the government has said what it wants, they say: let us have a vote. We hear the chant: "question, question. Let us have a vote. There is no right of discussion. Discussion is irrelevant and unimportant, because if the government says it should be so, then of course it should be so and we are content to vote without discussion." All that matters, therefore, is the process of counting noses.

That process has been carried on and the rights of parliament denied and overridden to such an extent, Mr. Speaker, that we have now very nearly reached the point of no return beyond which it will be difficult indeed, if not impossible, to restore the principle of the supremacy of parliament and of responsible parliamentary government. The people of Canada here face a very serious issue, a domestic crisis every bit as important as the international crises which have occupied so much of our attention. There is only one solution to that crisis and that is to remove from office a government which denies the supremacy of parliament, is not willing to accept the principle of responsible parliamentary government, and to replace it by a government which is dedicated to the preservation of this principle as the Conservative party and its leader are dedicated.

The second issue which is before the country is the attitude of this government with regard to the British commonwealth. It was interesting to observe yesterday, on what I might almost call commonwealth day, the attempts by government spokesmen to remove the unfortunate, indeed the disastrous, impressions created by their conduct and their words last November. We see a picture of a government desperately trying to make amends; a government as aware as we are that an election is facing them shortly, and trying to remove that impression. It is no wonder they do so because they know all the damage that their conduct and their words

have done to their support in the country. We saw the Secretary of State for External Affairs (Mr. Pearson) praise the commonwealth, praise the United Kingdom and tell the house how there may have been temporary differences of opinion but these really only strengthened the bond; how they knew all along the government of the United Kingdom, however its individual actions may be judged, is nevertheless dedicated to peace.

The Minister of National Health and Welfare (Mr. Martin), after he had finished his travelogue, was at pains to impress upon the house how everywhere he went in Asia, with every government representative with whom he had discussions and in the villages where he went, he was at pains to impress upon the people the dedication of the United Kingdom government to peace, and the progress that had been made under the aegis of the government of that country.

Unfortunately, from the government's point of view, from Canada's point of view and the world's point of view, you cannot turn on the stream of unity and co-operation and then turn if off again like a tap. The stream is based on continuous understanding, continuous sympathy and the continued maintenance of mutual interests and must be kept flowing or it will dry up. It cannot be turned off and on again like a tap.

This government cannot thus easily repair the damage done by their actions and by the Prime Minister's words last year when he lumped together the governments of the United Kingdom and France in the same category of aggressors as the communist governments of Russia and the other socialist soviet republics. Remember the Prime Minister's words in that regard on November 26. Having referred to the governments of the United Kingdom and France, he went on to say, as recorded at page 20 of *Hansard* for that date:

> I have been scandalized more than once by the attitude of the larger powers, the big powers as we call them, who have all too frequently treated the charter of the United Nations as an instrument with which to regiment smaller nations—

Including in those words the governments of the United Kingdom and of France,—

Mr. Pickersgill: And the United States.

Mr. Fulton: —one of them a government which the Secretary of State for External Affairs was at pains yesterday to point out had built for itself a glorious tradition—that is what he called it—of bringing to a state of independence, self-government and autonomy, nations which have never known that condition before. That is the government which the Prime Minister on November 26 categorized with the aggressors of Europe, "the supermen of Europe."

Incidentally, Mr. Speaker, it was interesting to observe that in all of the reasons given by the Secretary of State for External Affairs and by the Minister of National Health and Welfare yesterday, as to the things which now mean so much to Canada in the commonwealth and the things which should unite us in the commonwealth, it was interesting that in all this panegyric which they sang yesterday, there was not one mention of that factor which we always understood to be at the centre of commonwealth unity, and that is, loyalty to the crown. There was no mention in either of those speeches yesterday of the principle of loyalty to the crown, to the monarchy which, as I understand it, is the central theme and uniting factor of the commonwealth.

The government's action against the United Kingdom and France was previously justified on the basis that there was danger in the Suez situation of the commonwealth splitting; that it could not stand the pressures created by the action then taken. Later on that was denied by Mr. Casey in Australia. The Secretary of State for External Affairs (Mr. Pearson) then modified his statement as to what he had meant. He said that he had referred exclusively to the Asian members of the commonwealth. Well, now, unfortunately, the Secretary of State for External Affairs has shown himself to be prone to rather loose terminology in this connection. It will be recalled that at one stage, after the fighting had begun, he said, referring to the commonwealth, that it was on the verge of dissolution and he further said that "was not an exaggerated observation". He is guilty of several contradictions in this matter.

Since that time, after being contradicted himself by the Australian spokesman, the Secretary of State for External Affairs said he was referring exclusively to the Asian members of the commonwealth. Shortly thereafter the prime minister of Ceylon, who was interviewed at the United Nations where he was while all these discussions were going on, said, as reported in the Ottawa *Journal* of December 3, that he thought Mr. Pearson's commons statement was "rather an exaggeration".

Then it will be recalled that yesterday the Secretary of State for External Affairs repeated in this house the same thing, namely, that the separatist pressures were tremendous and that he felt it had been quite possible that the commonwealth might split up. He was asked by the hon. member for Winnipeg South Centre (Mr. Churchill) whether that had not been denied by the governments of

Ceylon and India and he replied that it had been denied by the prime minister of Ceylon, but that he had been informed by the very highest authority in the government of India that there had been danger of India leaving the commonwealth. Well, sir, the Secretary of State for External Affairs is contradicted there by no less a person than the prime minister of India himself who, speaking in Ottawa, as reported in the Ottawa *Citizen* of December 24, said—and the reporter, Mr. Hume, says that these are Mr. Nehru's own words:

> India wishes, quite clearly, to have her commonwealth association continued; there are so many disruptive tendencies in the world that I am not prepared to break up any kind of association or bridge that there is. I never thought India's commonwealth association should be broken, despite grave differences of opinion.

He went on to say that some important people in India suggested the commonwealth association was doing no good. He continued:

> We discussed the question in our congress recently and we are firmly of the opinion that we wish our association with the commonwealth to continue. In spite of differences within the commonwealth, we felt that it is a helpful association in the larger causes of peace in the world.

Now, there is the prime minister of India speaking and saying that he never thought they should get out of the commonwealth. And yet, the Secretary of State for External Affairs only yesterday told us that he was informed by the highest authority in the government of India that they had been in danger of withdrawing. What have we? Have we a completely inaccurate statement, or does the Secretary of State for External Affairs suggest that there is a higher authority than the prime minister? Can it possibly be, Mr. Speaker, that the eulogy given to him by the Prime Minister of Canada (Mr. St. Laurent) in this house the other day has already gone to his head? Does he think there are higher authorities in government than the prime minister? For that is the only inference we can draw from his statement, unless we are to believe that notwithstanding having been corrected, he still persists in a deliberate inaccuracy and misrepresentation.

Other unfortunate effects which flowed from the government's action last November, and which are now obvious to the Canadian people, in addition to the damage that it did to the principle of commonwealth solidarity, have been, of course, to place Canada in a position where she must accept dictation from Nasser in Egypt. This the government still persists in denying in spite of the most obvious facts which prove it, such as that Canada's original intention as to the type of troops she should send was not allowed to be

fulfilled, and also by the comments made by authoritative sources elsewhere. I have here the New York Sunday *Times* of January 13, which contains an article by Thomas J. Hamilton. The article is headed:

> United Nations Suez Intervention Restores Status Quo
>
> Nasser Is Still In Full Control Of The Canal With His Future Terms For Operation Unchanged

The correspondent is reporting on the discussion at the United Nations and says as follows:

> But the friends of Britain, France and Israel insist that practically every decision has been in accord with Egyptian demands.

He is referring to the decision with regard to the clearing of the canal and the role of United Nations emergency force. He continues:

> This, they say, is illustrated both by the handling of the United Nations emergency force and the salvage operation. Egypt, despite denials, is exerting her veto on the countries participating in the emergency force, as witness the fact that Canada, which sponsored the idea, has been allowed to contribute only non-combat troops.
>
> As Egypt demanded, the force has been withdrawn from the Suez canal zone, permitting the complete establishment of Egyptian control. Egyptian troops are advancing into the Sinai peninsula behind the United Nations force, and will soon re-establish Colonel Nasser's control there, leaving the United Nations force to act only as a buffer between the Egyptian and Israeli troops.
>
> According to a spokesman for Mr. Hammarskjold, the general assembly, not Egypt, will decide when the United Nations force is to be withdrawn. But Mr. Hammarskjold's insistence upon respecting the "sovereign rights" of Egypt increases the probability that the assembly will tell the force to leave whenever Egypt says so.

So it is undeniable, Mr. Speaker, if one faces facts, that the result of the government's action has been to place Canada, along with other countries, in the position of having to accept the dictation of Egypt, thus making it very unlikely that there will be a satisfactory over-all settlement of the dispute which gave rise to this whole situation.

That, then, is the damage that has been done,—damage to the commonwealth, damage to the possibility of an over-all satisfactory solution to the Middle East question—done by the unfortunate acts of this government. But the damage has been done; and although it is essential that we understand the basis upon which we now rest, it is still more important to look forward and to discuss ways and means of repairing that damage. This is going to involve work, not more pious platitudes such as we heard yesterday from the two government spokesmen who were concerned not so much to tell us what they were going to do, as to try to pretend that no damage had been caused by the government's unfortunate action.

To repair the damage is going to require work. Why should we not have the Quebec conference that was suggested by the Leader of the Opposition last November? The Prime Minister has not given a single reason why it should not be held. He dismissed it with another series of generalities. Unfortunately, we have not heard from the government any positive proposals in this respect. We are back where we have been for many years because, of course, our quarrel with the government with regard to its attitude to the commonwealth does not stem only from the time of the Suez crisis; it antedates it by many years.

Our quarrel with the government is that they have done nothing for years beyond paying lip service to the idea of the commonwealth. They have indulged in vague generalities, they have made no positive contribution and they have made no earnest or consistent attempt to institute a series of commonwealth discussions which would be designed to arrive at common objectives and a common understanding and common approaches to these world problems, and especially to arrive at these common approaches before the problems reach disaster proportions. It is no wonder therefore that the Suez explosion caught us all unawares.

There had been a conference not very long before that, the last commonwealth prime ministers' conference. You will remember the strenuous effort we on this side made, first of all to get the Prime Minister at least to see to it that there was an agenda and that Canada was going over there prepared to engage in serious discussions in regard to the matters that would come before the conference, but this was not done. No such thing occurred to the Prime Minister's mind. He was going over there for a nice trip. That was at the time when Cyprus was in danger of becoming an explosive area; it was at a time when the whole Middle Eastern situation was brewing.

The Prime Minister returned from the conference and you will remember how strenuously we pressed him to give us a report concerning what was discussed and what was decided. We were interested in knowing if anything at all had been said about Cyprus or about the Middle East. No. He reported he had lunch with Mr. Nehru and they had a pleasant time at the conference. They had issued a nice communique and there had been a feeling of good will and good relations had been established. That is all we got out of the Prime Minister because that is all the Prime Minister went over there to do.

We have pointed out for years that no international association will mean anything nor can it mean anything unless the members of the association and particularly the senior members such as Canada intend that it should mean something and intend to make it work. This business of saying the commonwealth is a force for world peace and that Canada's position in foreign affairs and in international relationships is influenced in large measure by the fact that she is a member of the commonwealth and her membership in the commonwealth is something desirable to maintain, is simply to voice meaningless platitudes unless the government does something, first to decide what it is the commonwealth should mean in world affairs and in our own national interest, and then does some work to make it realize those things.

In our view the preservation of the commonwealth is a matter of interest to all of Canada and not just something to which we have a sentimental attachment. It is a matter of vital national concern to all parts of Canada and to all peoples in Canada to an equal degree because it is based upon and has at its centre the monarch, the crown. This is the very centre and core of our national existence and our form of government as a constitutional and monarchial democracy. It is essential to us also because as a member of the commonwealth we can have a wider influence in international affairs, a fuller being if you like, than we would ever have as a separate nation.

It is important to us, Mr. Speaker, also because it is more than ever essential that there should be a strong and united commonwealth as a factor in the preservation of world peace. I was not at all satisfied and I am sure many hon. members were not fully satisfied, indeed they must have been deeply disturbed, by the readiness yesterday of the Secretary of State for External Affairs to write off the commonwealth as a factor in the preservation of world peace, when he said in effect there is only one country in the western world in a position to discharge truly worldwide responsibilities today, the United States. Sir, we believe that the commonwealth, if recreated and built into that force which it could and should be, is also in a position to discharge worldwide responsibilities and is also in a position to exercise worldwide influence. As Mr. Menzies of Australia said when discussing the last commonwealth prime ministers' conference and his dissatisfaction with what had been done and particularly his dissatisfaction with the communique that had been issued, "A statement of that kind should and could carry the moral authority that the commonwealth

should possess. I think the world needs the force of judgment that the commonwealth has."

We are in complete agreement with those words. The commonwealth will not possess that moral authority and certainly will not possess that physical authority unless some work is done to recreate it and to give to it the meaning which it should have. This certainly will not be accomplished by the words and attitudes of the Prime Minister of last November and the actions of the government at that time. It certainly will not be achieved by the inaction and pious platitudes which is all we can get from the government today.

We are therefore left with certain questions which emerge from this whole situation. First, what is the government's policy with regard to the United Nations emergency force? We were told yesterday by the Secretary of State for External Affairs that he believed we should work toward the creation of a permanent United Nations force; but the country was told by the other secretary of state for external affairs who is presently officially the Minister of National Health and Welfare (Mr. Martin) that it is impractical to have a permanent United Nations force. He did admit to an honest difference of opinion with the Prime Minister on that score but we did not realize that, having just returned from this tour he undertook, he would so deliberately and definitely state a view contrary to that expressed officially on behalf of the government in the house by the Secretary of State for External Affairs. Who is the Secretary of State for External Affairs? What is the policy of the government?

Mr. Rowe: You had better get together.

Mr. Fulton: Surely the people of Canada are entitled to know that and the people of Canada are particularly entitled to know what is the policy of this government with respect to Canada's component in the present United Nations emergency force in Egypt. Is it to be just what Nasser says? Is it to be withdrawn just when Nasser says it is to be withdrawn? Is it to do only that which Nasser says it is to do? What does the government of Canada feel about that? And if they reply that these things should be decided by the United Nations, what recommendations are they going to make to the United Nations on the basis of which a decision will be taken? Are we to accept the fact that not only the Canadian government but the United Nations general assembly with the consent of the Canadian government is to have its decisions made by the dictator of Egypt?

The next question, and it is really the larger question, is this. What does this government propose to do to restore and maintain commonwealth unity? Yesterday we heard the words of the government ministers telling us what importance they attach to the recreation of commonwealth unity but we heard nothing except words. We have heard nothing but words for years; we have seen no action. We made a concrete suggestion in November with a view to the restoration of both commonwealth unity and the Atlantic alliance—the holding of a conference in Quebec. That was only one suggestion, but even that suggestion has been rejected, and nothing, absolutely nothing, has been offered in its stead.

Mr. Speaker, we are left in the position that, with respect to this whole question of the most vital and fundamental of Canada's interests in world affairs, the government has nothing to offer. Its actions and the words of its Prime Minister have been a disaster and have weakened our position. On this issue, as on the issue of parliamentary supremacy, I have no doubt what will be the verdict of the Canadian people in the next election.

(*Translation*):

Mr. Joseph Fontaine (St. Hyacinthe-Bagot): Mr. Speaker, I wish at the outset to extend my warmest congratulations to the mover (Mr. Hanna) and the seconder (Mr. Robichaud) of the address in reply to the speech from the throne. I congratulate them particularly for having spoken with such eloquence a tongue which is not their mother tongue. We have there an example of good understanding and of bilingualism which should be appreciated and practiced more often.

I wish also to extend my congratulations to the new Leader of the Opposition (Mr. Diefenbaker) on the high position which has been bestowed upon him after so many efforts on his part and in spite of the little support he got from the delegates of my province. It is not every party leader who can get a unanimous vote on a first try, it is not everybody who can be elected by acclamation. Be that as it may, I extend to him my most sincere wishes and I hope he may remain for a long time the leader of his party and the Leader of the Opposition.

I would like now, Mr. Speaker, to say a few words on the social security legislation which the Canadian people enjoy thanks to the initiative and the concern of the Liberal

government, and more particularly on the subject of old age pensions. Canadians everywhere have asked that the old age pension now enjoyed by people 70 years old and over be increased by $10 to $20.

We must realize that this old age security legislation has not been enacted to take care of all the needs of the recipient, but rather to help and assist our older citizens in general. However there is nothing to prevent our provincial government, as it is done in other provinces, from adding $10 or $20 to the $40 now granted by the federal government.

It is clear that we must do all we can to help those unfortunates who, having toiled all their lives, find themselves without any means of support.

I realize, as do all hon. members, that this amount of $40 is not sufficient and that, were it possible to increase it, it would provide our older people with greater comfort and security. On the other hand, though I am not opposed to this increase, I do think that it would be preferable to extend the scope of the legislation by extending its benefits to a greater number of old people.

I have often noticed in my constituency, that many people aged 60 and over who, for reasons of health or physical disability, are obliged to quit work, of their own volition or at the request of their employers, are, in most cases, in a very poor financial situation, they have difficulty in meeting their vital obligations during the period extending between 60 and 65, with regard to which our social security legislation provides no security at all. Briefly, this is the plan I suggest. At the present time, the federal government is, without a means test, paying the full amount of the old age pension from the age of 70 on. From 65 to 70, the pension is paid to those who can meet the means test, half the required sum being provided by the federal government and the other half by the provinces concerned. I suggest that those old age pensions entirely provided by the federal government be paid from the age of 65 years on, while pensions paid to the poor old people by the federal government and the provinces be paid when these people reach the age of 60. By extending in this way the scope of the legislation, instead of by increasing the pension, we would be doing service to a larger number of people. In other words, by lowering the age of eligibility by five years the present legislation would be made more efficient than would be the case were the amount of pension merely increased, an increase which by the way could be met by the provinces.

With regard to family allowances, I am of the opinion that the time has come for the government to make a serious study of the possibility of increasing them. This increase, a necessary one, would be such as to improve the standard of living of Canadian families and more particularly of larger families. As was pointed out the other day by the hon. member for Iles-de-la-Madeleine (Mr. Cannon) the cost of living has gone up tremendously over the past ten years, but the needs have not diminished. We should increase the means of providing for the needs of our children in proportion to the increased expense involved. For my part, I suggest that these allowances be increased in proportion to the increase in the cost of living, that is for example by paying $6, $9 and $12.

From the field of social security I now pass to that of agriculture. As you know, Mr. Speaker, I have the honour of representing a constituency which has been particularly blessed by Providence, because of the fact that it is situated in the richest area of the province of Quebec, an area which is well suited to all types of farming and which is called the Richelieu valley.

By far the greatest number of farmers of my constituency carry out specialized farming, more particularly sugar beet production which, in the course of the last year, has brought in a revenue of over half a million dollars in my district. They have also carried on tomato-growing on a large scale, the produce being shipped to metropolitan markets as well as to rural canning plants.

May I be allowed by the way to congratulate the co-operative canneries on the excellence of their organization which has greatly contributed to the improvement of the lot of our farmers. In this regard, I would feel remiss in my duty were I not to congratulate the Minister of Agriculture (Mr. Gardiner) most sincerely for the precious aid which he has provided the poultry farmers of my district. A poultry experimental station constructed at St. Damase in 1945 has just undergone considerable changes. The extension of the building and the construction of immense refrigerating rooms allow that co-operative to improve its commercial position, not only on the local market but also on the inter-

national market. The poultry co-operative of St. Damase is considered by experts to be one of the largest and most modern in the country. That achievement was made possible by the co-operation of the federal Department of Agriculture. Besides being a monument to the credit of our agricultural class, it will contribute greatly to the constant improvement of the agricultural economy of our area.

Before passing on to another subject, I should like to say a few words on butter. The price support given us by the federal government for a number of years was highly advantageous to us of the dairy industry.

Having always considered agriculture as the basis of a successful economy, the federal government took the initiative of authorizing the Minister of Agriculture to help our agricultural class by means of grants and price support enactments, being convinced that such legislation would primarily promote the interests of the country at large.

Indeed, experience has shown us that when agriculture is prosperous in a country, all classes of society benefit from it. The dairy industry in general and, in particular, the milk producers shipping their milk to creameries and cheese factories were saved from bankruptcy by the act on the support of the price of butter. That act is unquestionably the one that rendered the greatest service to our agricultural class and particularly, I might add, to the farmers of my province, because the dairy industry remains the main source of income of the Quebec farmers.

According to our legislation, Canadian farmers can benefit from the act until its expiration in May, 1958. I urge the Minister of Agriculture to extend the duration of this act for an indefinite period, because I dare say our dairy industry was saved by the price support enactment and it is most important that it be maintained in force. I would even say that this act protects not only the producer but also the consumer. It has the dual effect of preventing the exaggerated speculation that was carried on in connection with our dairy products. It is not surprising that the speculators should have focussed their attention on butter in particular. Everybody remembers that, before the enactment of that measure, producers during the season of plenty, were paid ridiculous prices for their products which brought them no profit and, most of the time, left them with a deficit. On the other hand, in winter time when production slows down, the price of butter was going up every day and the consumers had to pay excessive prices for that product. Speculators were thus in a position to gain unlimited profits on a product which, after all, brought no profit at all to the producers in most cases.

Mr. Speaker, this problem has been solved by our act on the support of butter prices and it is very important, in fact essential, that our farmers should never again have to put up with situations such as that.

The need for this beneficial measure continues to be felt; therefore, I can only wish, —I know beforehand that this wish will be met,—that the government will go on with that policy which has been so profitable and which is more and more appreciated by our farmers.

Mr. Speaker, another subject dealing with agriculture and also of a vital importance for our specialized farmers is the question of the great metropolitan market of Montreal. This matter concerns more particularly the producers specialized in horticulture who live around the city of Montreal. The development of the metropolitan market is at present underway. Construction was begun last spring and this project will soon be completed if all the authorities concerned give their support and the necessary financial assistance to those in charge of that undertaking. The city of Montreal considers this project as most important and it has already paid a generous contribution. An amount of one million dollars has also been granted by the government of my province. I wish here to congratulate the Minister of Agriculture for his generous co-operation. Since this market will not be exclusively a local market but also an interprovincial market, I feel that the federal government should contribute to such an undertaking which, I repeat, is of vital importance for agriculture, and especially for the producers specialized in horticulture.

Mr. Speaker, horticulturists are the victims of undue speculation; it is essential that federal authorities should help this category of producers as they have done for the dairy farmers. Otherwise, we will be faced with the disappearance of these specialists in horticulture. I do believe that the federal authorities should act and make a substantial grant for this project, a grant at least matching the amount the province of Quebec has agreed to pay to this organization.

Mr. Speaker, as the time allotted to me does not permit my informing this house in detail of the record I have before me, and which proves that the federal authorities would be well advised in helping to carry out this plan, I shall just advance a few arguments that will justify my remarks at this time. The Montreal market is a receiving and distributing centre for the fruit and vegetable trade, not only on a local and provincial basis, but on a national and even international scale. The Montreal market is the main distribution centre for fruit and vegetables in Canada. In 1952, arrivals of these commodities on the Montreal market by rail only amounted to 18,951 carloads, coming from eight Canadian provinces, eleven foreign countries and thirty-four American states. These figures are taken from a report on arrivals of fruit and vegetables on Canadian markets, published in 1952 by the marketing division of the federal Department of Agriculture in Ottawa.

Mr. Speaker, the speech from the throne mentions a proposed amendment extending the scope of the Municipal Grants Act to authorize the payment of grants in lieu of taxes on federal property in municipalities where such property benefits from municipal services. The government deserves congratulations for including this project in the speech from the throne. The grants will, in most cases, be of great help to the municipalities, and bring some relief to taxpayers. Due to the rapid expansion of house construction in Canada since the war, our municipalities have been faced with serious problems which in most cases they cannot solve without the help of the federal and provincial governments. As far as I am concerned, I am glad that this project will be submitted to the hon. members for approval during this session.

May I say just a few words about grants to universities? I will merely state that I share the view of the hon. member from Hull (Mr. Caron). An unconditional grant to all the universities is not in itself undue interference in the field of education. If foreign millionaires are allowed to make a gift to our universities and to our classical colleges, why should we not grant the same privilege to the federal government? It is sheer demagogy to hold the opposite view. Besides, our people from Quebec, just as the people of other provinces, have contributed to the consolidated revenue fund from which those amounts are drawn. Why should we not benefit from it, as others do, rather than seek to keep to ourselves, in a special reserve, for the sake of so-called autonomy? Are not the people of Quebec Canadians just like the people of the other provinces?

I am just about through with the few remarks I had planned to make. However I would not like to sit down without telling the hon. Prime Minister of the satisfaction of our people concerning the excellent administration of the affairs of his government —our government—and because of what he has himself contributed to the country since he has become our leader. But what is still more admirable is the fact that not only is our prime minister respected and admired by his opponents but the leaders of foreign countries look upon him as a first-rate statesman, one worthy of their confidence.

It is not my business to discuss foreign affairs, but since the world seems to be unanimous about the excellent part played by Canada in the United Nations and in NATO through our minister for external affairs (Mr. Pearson), I can only join the members who spoke before me, to offer him sincere and well deserved compliments and to wish that Providence will long preserve men of such value.

If I had the time, I could analyse the moral and economic condition in which people of other countries are living—and I could even say people of all countries—and I am convinced, in the present situation, that there could be, in any case, only one conclusion, which is that today, in 1957, it is rewarding to be able to call ourselves Canadians.

(*Text*):

Mr. Colin Cameron (Nanaimo): Mr. Speaker, I almost hesitate to say so but it is twenty years this year since I first sat in a legislative assembly. During those years I think it is perhaps safe to say that I have always taken somewhat of a relish in being able to heave as sharply pointed bricks as possible at the various governments opposite whom I have sat during that time. But periodically during that time the governments which I have opposed have—inadvertently, of course—done something of which I have approved; and always, when they have done that, I have found myself hesitant in attack, a still small voice, as someone said, crying "fiddlesticks". This morning, as I listened to the remarks of the hon. member for Kamloops (Mr. Fulton), that still small voice was extremely vocal within me.

This government has done in the past and undoubtedly will do in the future many things for which they merit severe criticism and attack. But in order to make our attacks effective when we make them, I think we should be careful not to attack on the wrong occasion or for the wrong thing. During the special session of parliament I did not take part in the debate because there appeared no necessity for my doing so. The government's actions were those I thought were in the interest of Canada, and I imagined that they would have plenty of people to support those actions in the house.

I listened at that time with great interest to the speeches of the Secretary of State for External Affairs (Mr. Pearson) and the Prime Minister (Mr. St. Laurent). In the past I have not always agreed with the Secretary of State for External Affairs. Sometimes I think he has fallen far short of what we should expect of Canada's principal international spokesman. However, I think it is only fair to say that on that occasion I think no intelligent Canadian could really have quarrelled with what he had to tell us. He spoke obviously as a man deeply anxious over a critical and dangerous situation, not in any boastful manner, recounting the efforts of himself and his colleagues to deal with an appalling world situation. I also think it is fair to say that he expressed at that time a deep concern over the tragic cleavage that had taken place between Canada and her two oldest allies.

I think those things should be said because this morning and during the special session suggestions were made that, in the course followed by the government at that time, Canada had in some way betrayed the commonwealth that Canada had in some way scorned and affronted our oldest allies. It seems to me to be an extraordinary situation that Canadians can stand up in this parliament and suggest that, because a strain was put upon the relationship within the commonwealth—not by Canada or not by any action of Canada's—we are to blame for that strain.

I found the speech made by the hon. member for Kamloops (Mr. Fulton) this morning most interesting. As a matter of fact I felt as though it had great anthropological interest, I might even say biological interest, because it struck me that it was the same sort of interest that would have been aroused if one were to encounter on the streets of Ottawa mastodons or dinosaurs from the dim and distant past. In the course of the hon. member's remarks it became quite obvious that in the view of the official opposition there is only one nation in the world which has the right to sovereignty and that is the United Kingdom of Great Britain and Ireland. You will recall, Mr. Speaker, that he deplored the actions of Mr. Dag Hammarskjold in insisting that the sovereign rights of Egypt should be respected. Apparently that is outrageous. Because we do not like Mr. Nasser, because we do not like some of the things he has done, because we consider—probably quite rightly—that he is a rather hardboiled dictator, we are to take the position that the sovereign rights of the country that he happens to rule can be flouted at will.

We were told this morning that the main strains were placed on the commonwealth by the action taken by the Canadian government. In the first place I think perhaps we are flattering ourselves in thinking that the Canadian government was quite such a decisive factor in the situation. In the second place, I could not help feeling this morning—as I felt on an earlier occasion during the special session—that there are members of the official opposition whose conception of the commonwealth of nations is rigidly confined to members of the nations of European stock, and that the idea that such new members as India, Pakistan and Ceylon should be consulted, that their views should be considered, is something entirely foreign to that concept.

During the special session I was interested not only to hear what the Prime Minister of Canada had to say with regard to the world situation but also in the extraordinary reactions that were aroused by his statements. His statements were repeated again or quoted this morning by the hon. member for Kamloops in an extremely deprecatory manner, as I recall it. On one occasion the Prime Minister remarked that he had often been scandalized by the actions of the great powers in the United Nations. My criticism of the Prime Minister would be that he then said something that should have been said long before, that he waited until he was exasperated to say something that should have been said earlier in measured and more magisterial terms. There is not an intelligent student of public affairs in the world today who has not been painfully conscious of that scandalous attitude and action of the great powers to which the Prime Minister referred.

He also had a remark to make with regard to the supermen of Europe. That apparently is something that should not be said, but all history supports that statement. The sooner we of the Caucasian races remember that the last 300 years carry an almost unbroken history of pillage, rapine, and bloody

suppression of all non-European people with whom we came in contact, the sooner we shall be prepared to live at peace with the human race. While we may want to forget that nasty skeleton in our cupboard or clothe it with the myth of the white man's burden, let us not make any mistake about this fact: the peoples of Asia and of Africa have not forgotten. An attitude of humility with regard to the deplorable record of our ancestors and, indeed, of some of our contemporaries of the European races would be in order today.

Again, my criticism of the Prime Minister would be that he said this in a moment of exasperation when it should have been said again and again by the spokesman of such countries of Canada, which, while inhabited by people of European stock, had itself to break loose from that control and rule by the supermen of Europe.

No, Mr. Speaker; I do not think those are things for which either the Prime Minister or the Secretary of State for External Affairs is to be blamed or criticized. Nor are they statements for which I think any Canadian should feel the need to apologize.

But I have noted, sir, in this present session that apparently we are beginning to move away from that rather forthright position. I think that is a tragedy because I am sure there are many Canadians, like myself, who feel that during those critical days in November of last year Canada, for the first time, emerged from the shadows and became a definite international entity with clearly defined features rather than remaining, as we had hitherto, a rather vague, shadowy figure, obscured in the mists of a sort of general amiability. I am sorry to note by the speech of the Secretary of State for External Affairs (Mr. Pearson) and indeed by that of the Prime Minister also in this session, that they appear to be retreating from that firm position. I suppose it is a case of coming events casting their shadows before them.

It may be true, as the hon. member for Kamloops (Mr. Fulton) suggested, that government spokesmen feel there has been an antagonism to the attitude taken by this government during the world crisis last fall. Undoubtedly there has been some antagonism. I suppose that in the constituency I represent there are more people of immediately British origin than in any other part of the Dominion of Canada. There are, moreover, amongst those people probably a larger proportion of people coming from those social brackets in Britain which would normally adopt an extremely conservative and rather imperialistic point of view. It is true that amongst my constituents there are a number who would wax just as indignant as the hon. member for Kamloops and his colleagues in this house. There are also a significant number of others who, like myself, feel sorry and grieved that the nation of which we are natives should have been betrayed in that particular instance, betrayed from the position of international probity which had been built up over the last decade or two.

I would suggest to the members of this government that it would be better to run the risk of losing a certain measure of support throughout the country and to maintain that solid, unequivocal attitude which was presented to us during the special session of the house. We should remember also that we should not confuse the people of Britain with a small group which, for the time being, happens to be in control of the destinies of that country. Not for nothing did two ministers of the crown resign in the face of the incalculable follies committed their government. Not for nothing did every responsible organ of public opinion in Great Britain condemn and deplore what was being done. We in Canada shall not be discharging the responsibility of friendship for the people of Britain unless we speak with an unequivocal voice in support of this element in Britain, the most intelligent, the best informed, who have deplored the train of events which took place last fall and which will have in the future incalculable results for the unfortunate people of Great Britain. I should like to see our government, as I say, maintain that solid position which it assumed during the crisis of last fall at the United Nations, and not pay attention to the possible unpopularity in certain quarters that will be coming because of that position.

I think we must be careful not to condone follies when the fool is a beloved fool; not to condone evil on the doctrine that good might have come out of evil. Good never comes out of evil. Men, women and children were killed; their lives destroyed and their homes broken. No matter what the purpose may have been, that in itself was an evil action. If we are going to assume a position in the world commensurate with our material power, then we have to be prepared to continue condemning evil, reprobating folly whoever may commit it.

I think, sir, while these events of the past have been important in two regards, one in placing Canada firmly before the world in a certain posture and the other in revealing to us the political thinking of the various sections of the Canadian community, what is more important is what is to take place in the future. I was interested yesterday to hear the Secretary of State for External Affairs suggesting that we must work towards

a permanent United Nations force. I hope when that proposal is carried into effect that perhaps the procedure that was followed in the setting up of the emergency force may be borne in mind, because to me one of the most significant aspects of the establishment of the United Nations emergency force was that it was action on the part of the small, medium-sized nations of this world, behaving I think somewhat in the spirit of the Prime Minister's condemnation of the great powers of the world, in a spirit of impatience with these great powers who can never refrain from grinding their own axes.

I should like to see such a permanent force remain as a force contributed to by the small and medium sized powers of the world because then it could be a force that would not be embroiled in the power politics of one or the other of the larger powers in the world today. I think there is something else we can do now as a result of recent events. I think there can be no question that the appalling series of events in Hungary has struck a blow at the Soviet union that perhaps no one can as yet assess. In my opinion it has completely altered the military picture of the world because not only can the Soviet union now no longer rely on the peoples and the armed forces of satellite nations in the event of a conflict, they have been informed in unmistakable terms that these will be enemies within their gates. I think we should take advantage of that situation. It seems to me that here is a case where some hard-hearted bargaining could be done with the communist world. I cannot believe that the men in the Kremlin today are very anxious to continue to have these potential enemies ready to stab them in the back if they got involved in a war. It seems to me that the part of wisdom for them would be, and I do not think you should consider they are without wisdom, to relinquish their hold over these satellite states under an agreement whereby they become a neutral belt between the west and the east. I think that will have possibilities also of solving one of the sore spots in the world today, one of the trouble spots that may well cause great concern to the rest of the world, and that is divided Germany.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Cameron (Nanaimo): Mr. Speaker, when the house rose at one o'clock I was in the middle of discussing some of the possible after effects in Hungary, pointing out that the events there dealt a shattering blow to the position of the Soviet union, and might well have altered the military realities on the continent of Europe and, as a consequence, may have provided us with an opportunity—and when I say "us" I am speaking of the west—for some hard bargaining with our communist opponents. I suggested it was hardly likely that the rulers of the Soviet union would care very much longer to maintain their control, with great difficulty, over populations which they now realize they could not trust in time of international war and that, therefore, they might be prepared to relinquish that control in return for some mutual guarantee of a neutralized area; and that included in this opportunity was one of the difficult and dangerous spots in the world, namely, the divided German nation.

Most observers from Germany seem to be of the opinion that after the next election, which I believe takes place this fall, the social party of Germany will undoubtedly assume office in Western Germany. They have been committed for many years now to a neutralist position as a means of achieving what is the great desire of all the German people, namely, the reunification of Germany. I believe that here again is a possibility for some hard bargaining with our communist opponents, because, if Hungary were the tough spot for them, East Germany will be a much tougher spot and sooner or later they are going to face the same sort of thing in East Germany that they faced in Hungary. Now is the time for us to be making these proposals of withdrawal of forces from central Europe by both sides and mutual guarantees of neutrality to that area as a means of building some sort of *cordon sanitaire* between the two great blocs in the world today. I think also that the United Nations has a much more significant role to play in the Middle East than it has been able to play hitherto. It is well enough that we have the United Nations force there now, from which we may hope to develop some sort of stability, from a military point of view, in that area; but I believe that precisely the same argument should apply to the United Nations that one often hears applied to NATO; that the military commitments of the United Nations are not nearly enough, and that the economic functions of the world today should gradually supersede the purely military functions of that organization, and that the Middle East is the area that most cryingly needs some sort of organization and leadership for the development of the area for the benefit of the inhabitants of that part of the world.

It is a tragic circumstance that much of the potential wealth of the world in the form of the oil deposits of the Middle East, the oil

deposits upon which the wealth of almost the whole of western Europe depends, and on which indeed our own economy depends to a like degree, should come from an area in which the local inhabitants have heretofore had no chance whatever to share in the wealth. It seems to me that one of the tasks that lie before the United Nations is to give offers of economic aid, offers of skilled assistance, in return for certain commitments on the part of the authorities in those areas so that the revenues derived from the sales of the oil shall be devoted to the raising of the living standards of those people and not merely to be ostentatiously displayed by some of the ruling group. There, I think, is an area in which the United Nations should be playing a very decisive role, which will require perhaps some rethinking with regard to sovereignty. In fact, Mr. Speaker, I think very soon the world is going to have to take another look at this question of sovereignty, as to just how far any people are to be allowed to conduct their affairs without regard to the rest of the world, rethinking as to the possibility of relinquishing certain aspects of our sovereignty to a greater degree, and as to the value that might well accrue from some world authority to have control of oil surpluses, of food surpluses, of uranium material supplies in such a manner that their use can be directed throughout the world where they are badly needed today.

I know that that is a theory that does not meet with much approval from those perhaps whose feeling of nationalism is beginning to rise; perhaps even our own feeling of rising nationalism may be in opposition to such a view, but I would hope that in Canada at least we realize the necessity for some co-operation with the rest of the world, even at the expense of what we have in the past considered our own personal sovereignty over our wealth and our resources.

Now, Mr. Speaker, I want to turn for just a moment to the question of the railway strike which, although it is settled for the time being, is, of course, in the issues involved, not finally settled yet. I think there is perhaps a symptom of a situation which may well become much more general in the near future. I am not in a position to judge the rights or the wrongs of that particular dispute. I do not know anything about the safety factors involved; I do not know anything about the economic gains to accrue to the company by following the policy they wish to follow; but I do suggest that it is probably part and parcel of a serious development in industry with which we are going to have to cope in the near future.

This morning the Parliamentary Assistant to the Secretary of State for External Affairs (Mr. Cardin) mentioned some of the possible economic problems that we may be going to face, and I think this is one of them. There will be no question about it, a market controlled economy, plus an automated industry, spells, without any doubt whatever, serious difficulties in the near future, and we are going to have to cope with it. I would suggest, of course, that we have a certain leeway; that even the vast productive potential of modern industry can be utilized for some time in satisfying the needs of areas of the world that need development; but sooner or later the problem is going to be on our doorstep, and it is time we were thinking about it. We are not going to be able to solve it merely by slogans about freedom of enterprise, property rights, and so on. It is going to be hard facts of human life, and we shall have to deal with them in conjunction with peoples in the rest of the world who start off ideologically, perhaps, where we finish. In the future that, I think, is going to be perhaps the most important role that we as Canadians can play in a new developing world, leading away peacefully and easily from the old rigid style of market economy to the new co-operative outlook which must prevail throughout the world if we are to avoid disasters in the future.

(*Translation*):

Before resuming my seat, Mr. Speaker, I should like to say a few words on the subject of bilingualism in this house and in Canada. We were told last week that national unity would be strengthened by the hon. member's efforts to speak French in the house. It may be, Mr. Speaker, but I doubt it.

In listening to some of my colleagues' attempts to speak French, Mr. Speaker, I thought we might paraphrase a well known saying: "It's wonderful, but it is not French". I can recall, Mr. Speaker, my very first attempt to speak French, more than forty years ago. My comrades and I had attempted to speak French to some French people but, to our surprise what we thought was French, they thought was English. All the same, Mr. Speaker, we did find school ma'ams who possibly helped us learn the language—even several languages—while we were counting bottles in the cellar in the company of Gabrielle, Cecile, or whatever their names were. In circumstances such as these, Mr. Speaker, one learns the language, and other things too. But I assure you that—

An hon. Member: Tell us about the other things.

Mr. Cameron (Nanaimo): —I have forgotten all I had learned.

I have said enough, Mr. Speaker, to prove to you that national unity will never be built on the abominable French I am speaking at this time.

(*Text*):

Mr. Gauthier (Portneuf): You are doing well.

An hon. Member: Very well.

Mr. Cameron (Nanaimo): Seriously, though, I do want to suggest to our French-speaking colleagues that they should not consider, when those of us who do not speak French fail to make the effort, that we are in any way being disrespectful to the French language or to the rights of our fellow French-speaking Canadians.

Mr. Dufresne: I do not think any one ever thought that.

Mr. Cameron (Nanaimo): It is diffidence on our part and I am afraid that the Prime Minister (Mr. St. Laurent) and others who have expressed the hope that eventually this will become a bilingual chamber will have to rest content with the fact that the majority of their non-French-speaking colleagues are inescapably uncivilized and barbaric and that we shall never learn to use the French language effectively.

Mr. Lionel Bertrand (Terrebonne): Mr. Speaker, I would like to take a few moments in the discussion in order to fulfil a task entrusted to me by the blind of the province of Quebec and which I accepted willingly because for several years I have been associated with their group, namely the Friendly Society for the Blind, Societe Amicale des Aveugles, which has its headquarters in Montreal. The honorary patrons and directors of this society are well known in philanthropic circles and the group is also proud of its sound executive. Its managing director, Mr. H. A. Meilleur, who is well seconded by his wife, lost his sight in an accident when still young. He is for the society a living inspiration of courage and perseverance.

For several years I have been placing on the order paper of the House of Commons a resolution recommending the abolition of the means test in the case of blind persons, but it has not had the honour of being thoroughly discussed. As have some other members, I have often called the government's attention to this matter and although many welcome amendments have been made to the act in the last few years, the blind still consider that the means test should be abolished for the simple reason that it paralyses their productive possibilities and greatly limits their initiative.

I have before me booklets containing the signatures of 1,289 members of the Friendly Society for the Blind, all of them blind persons, from nearly 500 cities and villages of the province and which I intend to pass on to the government. These booklets, prepared by the blind themselves, need no further explanation than their title, "A petition from the blind to the federal government of Canada for the abolition of the means test in the case of blind persons".

The blind of Quebec have gone further. They have tried to show that on the provincial level public opinion endorses their request and each one has agreed to obtain in his own locality the signatures of at least 25 people, including those of the parish priest and the mayor. They have achieved the difficult task of gathering in the other volumes which are before me the signatures of 40,000 people, which represent a clearly expressed opinion. If the blind had set out to obtain a million signatures, they would easily have succeeded, for no one can remain indifferent to the physical and moral hardships of the blind; most of us recognize that sound health and a good eyesight are among the greatest blessings of life.

The signatories of the petition declare that the means test has the following adverse effects: (a) It reduces the blind's desire to work and makes them increasingly idle. (b) It forces the blind and their families to adopt a lower standard of living than any other group in Canada. (c) It interferes with the family life of the blind because it encourages husband and wife to live under separate roofs in the fear of seeing their pension reduced. (d) The blind man becomes a permanent burden on the state notwithstanding the fact that, being normally gifted and capable, he could, if he were granted blindness compensation, earn a greater part of his own living as well as contribute to the welfare of his country.

I believe, as so many people have said before me, that there is no greater disability for a human being than blindness. Indeed, at least 80 per cent of human activity depends upon the precious gift of sight. Work normally requires sight, as do reading and travel to perfect oneself. There is not one moment of the day when to move about, to make a living, to amuse ourselves as well as to protect ourselves against the danger of modern life, we do not count upon the so strong and yet so delicate organ of sight which gives us light instead of darkness.

True, blindness does not deprive the individual of all his faculties or productive possibilities, but only too often it paralyses or neutralises them. Precisely because his

life is spent in darkness the blind must always rely on the help of someone. No wonder that, in this endless night, he should sometimes give in to discouragement. That is why it is so important not to snuff out the human ideal in his heart, but on the contrary to revive it constantly.

I am proud that my country looks after the blind. I say with great pleasure that my country is taking care of the blind by increasing allowances which enable them to meet their basic needs. The blind are certainly satisfied with that, but the means test is becoming in their view, and I feel that they are right, an injustice which they think should be corrected.

Personally, I do not like the word "pension"; I would rather have used in the case of the blind the words "blindness compensation" which, I think, would be much more appropriate. So it is important that the blind do not suffer from an inferiority complex toward those who can see. It is important to raise their sense of human dignity, to give them a social rank, and to free them from the unbearable thought that they are a burden for their families and society.

The blind person is a human being: like every one of us he has a family and his home obligations are heavier than ours because of his blindness. His cost of living is higher than ours. His normal living expenses are much higher. He cannot benefit from sales because he cannot be aware of them and when he goes shopping he needs a helper whom he must pay. If he wants to commute, to go to church or to see a doctor, or even to earn a living by soliciting or by selling certain articles, he has to have a guide to whom he must pay a salary. Being sightless he finds himself more than others involved in mishaps which entail higher expenses for his clothing and the maintenance of his home. Because he is blind he will even be abused in some quarters. And since blindness is often a cause of ill health he has to pay higher bills for medical supplies and services.

As far as family life is concerned there is no doubt that blindness is the cause of higher expenses. There are very few blind people in Canada who earn enough to take care of themselves. Most blind people cannot live on the monthly allowance they receive, and they must of necessity do some other paying work. Do not think that by abolishing the means test you would make the life of the blind much easier. No, sir. Because nowadays, even if in some cases industry employs blind people, the blind person is not normally expected to work in a factory. He can only perform certain manual tasks which involve no accident hazards, inside duties which are mostly routine or certain work of canvassing which he cannot do without the help of a guide or a companion. That is what he does, not the year round but during certain periods depending on whether the kind of article he deals in or from which he draws an income can be marketed. If he is in receipt of the pension he must always make sure not to earn more than the few hundred dollars allowed under the act, for if he goes over the maximum amount of allowable income his pension is lowered and often withdrawn altogether. The few hundred dollars that a blind person may earn annually only means the difference between want and comfort.

It seems inconceivable that a blind single person is able to live on a total of $18.45 a week—$480 he is allowed to earn and his pension of $480. It is inconceivable that the wife of a blind man, who is the mother of several children and who is working to feed her family, should see the pension of her husband lowered as soon as she is earning $21 weekly and totally cancelled as soon as she earns $30 weekly. It is inconceivable that a man whose wife is blind should see her pension lowered as soon as he is earning $21 weekly and totally cancelled as soon as he is earning $30 weekly. It is even more difficult to understand when you consider that in such a case the law makes it compulsory for this husband to pay from his own salary wages to someone who can see to take care of his wife and his home while he is away.

Thus the blind person has continually some cause for concern. If he has worries about his pension we will not even be in a position to defend his cause by himself. And inspection will always be for him a perpetual nightmare, something awful to bear. I have in this respect statements which leave no doubt.

I can see only one solution: the abolition of the means test. This might result in a few hundred thousand dollars of additional compensation. Nowadays, as soon as he is 70 years old, the blind can draw his old age pension and then he is not subject to any investigation whatsoever. I am told that some 400 blind people pass every year from one law to the other. According to statistical figures, in 1955 some 8,000 blind persons were receiving a blindness pension, which meant an expense of $3 million for the federal treasury and of $1 million for the provinces.

There are in this country some 10,000 blind persons who could benefit from a national law or on whose behalf could be made the helpful gesture of giving them a full life. No more restraint. The blind would have ahead of him a wide open road

to his endeavours. He can produce. He would no longer be a useless piece of machinery with limited activity. He would earn more, which would be one worry less. His earnings would be better, which would mean comfort for his family and for himself a revenue producing hobby. He would thus contribute to the progress of his country and the remuneration which he would receive could be considered to be a tribute paid by the nation in order to enable him to be useful to his country like every other citizen, in spite of his handicap.

At the international workers conference held at Oxford in 1949 and at which were represented all the countries in the world except those from behind the iron curtain, and notably competent representatives from the United Nations and UNESCO, the following resolution was adopted:

> Special economic provisions should be made for blind people in order to give them work and to allow them to contribute in every way to the economic and social life of the community. Every nation should provide its blind citizens with at least a minimum subsistence standard, equal in every case, so as to compensate for the increased cost of living brought about by blindness.

In November 1956 the Canadian Catholic conference, of which all archbishops and bishops in Canada are members, made the following statement:

> In so far as material prosperity is concerned the state must not be expected to continue forever the payment of various subsidies or grants. Rather it should be expected to create those economic conditions whereby every citizen could be assured of an opportunity to provide for his own needs and those of his family.

I therefore think that the state should provide the blind people with a blindness compensation, leaving them entirely free to earn their own living and to become useful citizens. When the government notices that the mining industry, agriculture or any other segment of the national economy is in danger it provides for grants and subsidies to set matters right. In the case of blind people the state should provide them with an opportunity of producing, of contributing in this way to the progress of the nation instead of leaving them in depressed circumstances. This situation is so distressing that they are asking the authorities to put an end to it by putting an end to the means test which, in the case of the blind, is almost condemnable.

I know that the present government has done everything to help the low salaried classes, the poor and forsaken members of our society. It is proud of its record, and justly so. Another opportunity is provided now for the government to help one class of people which, to my mind, is the most unhappy of all. The representations which I have just made on behalf of the blind people of the province of Quebec are similar to those which other groups in other provinces and even in the national field have made, I am told, directly to the Minister of National Health and Welfare (Mr. Martin). All I am asking him to do is to look once more upon this side of the question. Everybody in this country knows how fair the Minister of National Health and Welfare is in dealing with problems of social security and how anxious he is to complement what is already being done in this field. Here is another opportunity along that line. I have confidence in him. I have confidence in the government and I know that these recommendations will not fall on deaf ears.

(*Translation*):

Mr. J. Wilfrid Dufresne (Quebec West): Mr. Speaker, first of all, I wish to join with previous speakers in extending heartiest congratulations to the mover and to the seconder of the address in reply for the manner in which they have acquitted themselves of their tasks.

(*Text*):

The member for Edmonton-Strathcona (Mr. Hanna) certainly deserves special congratulations on the magnificent effort he made during his speech when he spoke in my mother tongue for several minutes. He made himself perfectly clear and would with a little practice no doubt become fully bilingual.

(*Translation*):

As for the member from Gloucester, who, with the greatest of ease, switched from one of Canada's official languages to the other, he certainly proved to the house and to the whole country the importance of bilingualism for all Canadians, and perhaps more particularly for members of parliament, its absolute necessity. I offer him my sincerest congratulations.

(*Text*):

It is now my duty, Mr. Speaker, and a most pleasant one at that, to pay my respects to my new leader, the hon. member for Prince Albert (Mr. Diefenbaker), and to offer him my respectful congratulations upon his elevation to the leadership of the Conservative party to which I have the honour to belong. I sincerely hope that with the help of Providence he will long retain the strength, the health and the vitality for which he is known. His undeniable talents, his forceful personality, his recognized experience, his deep sincerity and love of work which have characterized his already fruitful public career have led him to the position of great responsibility which he is now assuming with the dignity and efficiency that all members

of this house have long since recognized. In short, he is well qualified for the heavy task entrusted to him.

As leader of Her Majesty's loyal opposition for the last few days and leader of the great Conservative party for about a month, he has already asserted himself before the Canadian people as a statesman of great stature, as a national and international figure respected by all and one who will no doubt become the next prime minister of Canada after the forthcoming general election.

I wish to express to him publicly my deep admiration and to congratulate him ardently on the excellent manner in which he expresses himself when he speaks in my native tongue. Now that he has overcome his timidity and in view of the success he has achieved when speaking in French—

Mr. Gauthier (Portneuf): I never thought he was timid.

Mr. Dufresne: —he can without fear converse with my French-speaking fellow citizens who I am sure will give him a hearty welcome and strong support.

(*Translation*):

Mr. Speaker, I do not at all propose to deal today with all the subjects contained in the speech from the throne. I shall therefore confine my comments to the international situation, to the strike of the C.P.R. employees, certain parts of our social legislation and the desire expressed in the speech from the throne, to increase grants to universities. In regard to university grants, I shall have the privilege of discussing them when the bill is before us.

The free world horizon, Mr. Speaker, is still heavy with dark clouds which may at any moment give off a destructive and deadly rain. International communism has not given up its infamous schemes for subduing, by the most revolting means, those who still believe, and rightly so, in liberty and democracy. The recent tragic happenings in Hungary, which have struck horror in the hearts of all Canadians without exception, and all peoples of the free world prove to what extent world freedom is threatened by communist imperialism. The nameless atrocities wrought upon the Hungarian people, and its tenacious and heroic stand against a powerful aggressor, we should take as a salutary lesson. It is our duty to resort to every legal and democratic means at our disposal to stop, in our own country, the expansion of a fiendish ideology which means the slow but certain death of all freedom.

If there is a steady increase of applications to enter Canada from people imprisoned behind the iron curtain, it is because Canada is being recognized as the promised land, the country of the future, where until now the words freedom and democracy have kept their real meaning.

It is absolutely necessary that we legislate in such a way as to preserve, before the other nations of the world, the enviable reputation we have acquired. The present apparent difficulties in Canada's communist party are a mere pretext for the reorganization of that nefarious movement. It seems evident that this reorganization will lead to a more extensive and efficient propaganda. Those traitors to their country will be more active than ever; they will try to introduce, right here in Canada, the improved methods of the Kremlin, to overthrow the democratic regime which has been set up by the will of the people.

In the face of the ever-threatening danger that lies in wait for us, efficient measures must be taken and the lawmakers whose responsibility it is to protect the people whom they represent should do all that is required to provide for all contingencies.

We have no right, in the face of that very real danger, to indulge in apathy or indifference. We owe it to ourselves to take action.

Therefore, I suggest to this government to enact, at this session, even before going to the people to solicit a renewal of their term of office, an act to prevent the spread of the subversive doctrine which is called communism.

In my opinion, there is only one real and efficient way to deal with this constant threat and to check Moscow's fiendish ambition to conquer the whole world and reduce it to slavery, and that is to outlaw communism. When all countries which still honour the democratic way of life have understood their duty in this respect, Moscow will have to change its attitude, and no longer will we have to pity the lot of those who, every day, are victims of those traitors, those turncoats, and I will even say of those murderers.

Our main concern should be to prepare Canada's future by guaranteeing to those who will come after us that priceless heritage which is freedom.

Mr. Speaker, I should like now to make a few suggestions and recommendations regarding the recent strike in the Canadian Pacific Railway, which, over a period of ten days, has cost to thousands of workers a loss of more than seven million dollars in wages, and to the company itself about 14 million dollars in revenue.

I believe that the government did not discharge its duty when it failed to establish, in its Department of Labour, an organization

designed to devise appropriate methods to meet that modern trend which is called automation, and to protect workers against the loss of their jobs.

The problem of automation did not come up only two weeks ago, for diesel engines did not suddenly appear from a clear sky in yards or on trains.

Little by little a change has been taking place, and for several years we have seen the old steam engines disappear to be replaced by diesels.

About 800 diesel engines are operated today by the Canadian Pacific and three or four years from now, according to experts in this field, the 2,500-odd old steam engines will have completely vanished.

Progress cannot be fought or halted, I am sure; but what has the government done in order to avoid the disastrous consequences that have been felt during the recent strike of the Canadian Pacific, which has fortunately been stopped, though it is far from being finally settled.

It is high time that the government consider this serious problem of automation, which has also come up on the National Railways. As a matter of fact, I read a few days ago in a Montreal paper that 112 employees of the Canadian National Railways in Newfoundland would be laid off because of the change-over from steam to diesel engines.

So, Mr. Speaker, these so-called experts of the department concerned should be put to work without delay, and these out-of-date methods which have been used for every problem which has cropped up in the last 15 years should be set aside. The time has come for a reform in the Department of Labour. Times have changed. Machines have been improved and modernized, and it is time too, that the government modernize its negotiation and conciliation machinery in order to do justice to all concerned.

A policy of wait-and-see and non-interference such as that followed by this government is out of place in a country like Canada which is advancing with giant strides.

Mr. Speaker, last November the cost of living index in Canada reached an all-time high for this country. And, at a time when the Canadian people are still hard-pressed to balance the family budget, the government is piling up huge surpluses. There is something wrong there indeed. In his forthcoming statement the Minister of Finance (Mr. Harris) will most likely tell us that not only has the government managed to balance its budget, but that it even has a surplus of several hundred millions. This will be indeed an optimistic statement on the eve of a general election.

[Mr. Dufresne.]

Everyone will recognize however that if the government is able to announce surpluses of several hundred millions, it can only mean that it has been levying on the people of Canada, in other words on the taxpayers, so many more millions than were actually needed for the administration of the affairs of our country. If, as some rumours have it, the government has no intention of relieving the taxpayer from the heavy taxes that are imposed on him, it is its duty to return to the people, in some manner, those amounts it has overcharged in the form of taxes.

It is said that taxes are levied upon the people to be returned in some other form, which is a very fundamental of a true democracy. A government is not a business which has to pile up profits.

Indeed, in the face of such a situation, and on the eve of general elections, the Liberal government will no doubt want to attract the vote of the electorate.

It is more than ever time that the government pity the lot of what we have closest at heart in Canada, our human capital.

Since I have been sitting in this house, Mr. Speaker, I have not let a session go by without advocating a substantial increase in old age pensions and family allowances. Unlike the members who sit on the other side of the house, I did not wait for the last session of parliament to make those requests.

I wish to say again that the amount of $40 paid to our senior citizens who have no other income, is clearly insufficient in view of the high cost of living. It is quite impossible for a person eligible for this pension and who has to manage with nothing else but that meager allowance, to get shelter, clothing, and food, and to avail himself of the medical care which is usually needed at that age. This contention is true not only in the case of those whom death has not yet separated, but also in the case of those men and women who, because they have no relatives, seek shelter in our religious institutions which so generously devote themselves to the safeguard and upkeep of the older people who are homeless or who have no relatives. For those religious institutions, as well as for every Canadian citizen, the cost of living has been ever increasing, and it is only through numerous privations and sacrifices that they manage to avoid bankruptcy. This disaster would have certainly occurred in the case of several of them, without the generous grants made by our provincial government.

I trust, Mr. Speaker, that by drawing from those huge surpluses, it will be possible to alleviate the burden of our older citizens,

who have so largely contributed during their lives, to the expansion and prosperity of Canada.

The same thing applies to family allowances. I repeat what I have said so many times, either in this house or outside. At their present level, and in view of the fact the cost of living has been increasing ever since they were set up, family allowances no longer perform the function for which they were created, and it is more than ever time to proceed to a just and fair adjustment.

In asking for these adjustments I voice more particularly the wishes of those who elected me as their representative in this house and who, for the most part, are members of large families. I say that by protecting the family, which is a sacred institution, we will be protecting the whole community.

Mr. Speaker, there is not a member of this house who does not know that, due to the increasingly centralizing policy of the federal government, our municipal governments, especially in these last few years, have been facing great financial difficulties.

As a rule, I am against a system of grants from the federal government in exchange for services rendered by the municipalities. I believe that the government should set an example and discharge its responsibilities in the same way as any other taxpayer living in a municipality. I am therefore opposed to grants. I favour especially the payment of taxes by the federal government to municipalities on the basis of the municipal assessment. Besides, that is the law which applies to all the ratepayers of my municipality, and those of all municipalities in Canada.

I should thus like to underline the situation of the city of Quebec which comprises the constituency I have the honour to represent here. During the financial year 1953-1954, whereas any ratepayer paid $1.50 per hundred dollars of assessment, the federal government held buildings and properties in Quebec city which were assessed by the municipality at $26,158,584.

In other words if, at that time, the government had paid at the same rate as every other taxpayer, it would have remitted an amount of $392,378.76 by way of municipal taxes.

However, until this year, the city of Quebec has received only the sum of $47,000 from the federal government by way of municipal taxes, or grants, as they are called by the federal government. Some time later, a block on the site of which I hope the new post office of Quebec will shortly be erected, was destroyed by a fire, and the town thereby lost the $45,000 in municipal taxes it had received until then. In other words between the $47,000 paid in grants by the federal government to the city of Quebec, and this sum of $45,000 which has been a total loss to the municipality, there was just $2,000 left for the city treasury.

Mr. Speaker, the amounts I have just mentioned cover only the municipal assessment, that is the tax that any other citizen has to pay; they do not at all include services such as snow removal and water-works. The federal government still owes the city of Quebec a sum of $200,000 for snow removal, that is $1.60 per $100 of municipal assessment.

How is it that the federal government puts itself in a privileged situation when it should be setting an example to the citizens of this country? How is it that religious institutions and church councils pay the snow removal tax to the city of Quebec while the federal government consistently refuses to discharge that obligation. In fact last December—at the end of December if I remember correctly—the Quebec municipal council decided to take proceedings against the federal government to recover the said amount of $200,000 to which it is entitled.

The strangest thing about it, however, is that for many years the city of Quebec has been providing federal government buildings with regular municipal services and supplying water to the National Harbours Board. The National Harbours Board resells that water to different maritime companies, in Quebec harbour, at 50 cents a thousand gallons. Yet, it is said that the National Harbours Board, another government institution, owes more than $900,000 to the city of Quebec (almost one million dollars in water rates) a sum which it consistently refuses to pay. Moreover, everybody—at least everybody living in Quebec—knows that proceedings have been instituted for the collection of that sum.

That is the fine example given by the federal government to the rest of the country. It is supplied with water for its own buildings in Quebec city; the National Harbours Board uses the water of the city of Quebec, for which it refuses to pay and, even worse, it resells that water to navigation companies whose ships come into our port. And the National Harbours Board loses no time in taking proceedings against navigation companies which do not pay.

I can hardly understand such an attitude on the part of the federal government when the government of the province of Quebec, which also has buildings in the city, pays taxes and pays for waterworks and snow removal. In fact, I believe that the last bill

paid by the provincial government to the city of Quebec for snow removal amounted, for this year, to $108,000.

This condition is not limited to the city of Quebec; the same situation exists in the little town of Quebec West, which I have the honour of representing. They have tried, by every means at their disposal, to get paid for snow removal and for other services offered by the city to the federal government but the federal government has consistently refused to pay. Today, probably for the purpose of compensating this heavy debt owing to the city of Quebec and to Quebec West, the federal government speaks about increasing the grants already given.

I want to be fair and I should say that for the past two years, as of 1954, federal grants to the city of Quebec, which formerly amounted to $47,000, were increased to $80,000, but that amount hardly represents a fifth of the municipal assessment of the various buildings belonging to the federal government in the city of Quebec. If the federal government was assessed on the same basis as any other ratepayer of the city, it would pay more than $400,000, because the assessment has gone up since 1954 and, according to the assessment roll for the financial year 1956-1957, its buildings and properties have a total value of $27,775,000.

Mr. Speaker, I hope the government will realize the need for helping the city of Quebec, the capital of my province, and at the same time all municipalities which, as a result of that system of grants invented by the federal government, are faced with dire financial difficulties.

The Quebec government recently made a yearly $250,000 grant to the city of Quebec in order to help it to balance its budget over the next ten years. To this grant must be added the taxes which it pays to the city of Quebec, plus the cost of snow removal, plus the water tax, which it also pays. By way of comparison let us point out that the federal government has been paying about $80,000 for the past two years whereas, to be exactly on the same footing as every other taxpayer in Quebec, it should be paying over $400,000 yearly.

Those are the few observations that I wanted to offer today, Mr. Speaker. I have done so in all sincerity and I hope that the government which is still presiding over the destinies of this country will understand the need for helping the municipalities to the extent that they must be helped.

Mr. Speaker, I thank all my colleagues for the particular attention they have paid me, and I hope that the government will receive in the spirit in which they have been given the representations and recommendations which I have had the honour of presenting to the house today.

(*Text*):

Mr. A. R. Lusby (Cumberland): Mr. Speaker, in opening my remarks I wish to join so many others who have extended felicitations to the mover (Mr. Hanna) and the seconder (Mr. Robichaud) of the address in reply to the speech from the throne upon the very excellent manner in which they discharged their duties. I know it is more or less a recognized custom, followed, I think, generally by all parties, thus to congratulate the mover and seconder of this address; but I base my congratulations, Mr. Speaker, not upon any custom or tradition that may attach to the matter but upon the fact that each of those hon. members acquitted himself admirably and made a very real contribution to this debate. Since they come from widely separated parts of the country, the hon. member for Edmonton-Strathcona from the west, and the hon. member for Gloucester from the east, they have shown clearly by the excellence of their addresses that there is an amplitude of talent among the younger Canadians—I use the term comparatively, of course—in public life today who will be the leaders tomorrow. I think that is something that augurs well for the future of this country.

It is, I know, Mr. Speaker, a matter of real regret to all of us that the Hon. George Drew, after years of arduous public service, has been compelled for reasons of health to retire from the leadership of his party and from his membership in this house. I should like to wish him well in the future and I think we shall all join in that wish.

I take this opportunity, however, to offer my congratulations to the new leader of the official opposition upon his elevation to that responsible post. Whether he is, as his new followers proclaim, and as the previous speaker in effect so confidently asserted a few moments ago, the long awaited genuine Moses who will lead the party out of the

political wilderness into the promised land is, of course, quite another matter and I am afraid that that is very much dependent upon whether he has the ability of the original Moses to work miracles. I know he will undoubtedly attempt some vigorous smiting upon the rock of Canadian public opinion which has proved so singularly obdurate to the efforts of his predecessors; but I gather from the latest Tory platform he will be using very much the same old rod.

One feature of the speech from the throne, it seems to me, is that it demonstrates that we are advancing steadily along the path of full national maturity. The establishment of a Canada Council for the arts, humanities and social sciences, to give a new impetus to the development of Canadian—and I hope distinctively Canadian—scholarship and culture is a strong indication of this. And I approve wholeheartedly the proposed substantial increase in grants to Canadian universities. In this day a country which neglects its institutions of higher learning will inevitably consign itself to national weakness and obscurity, and it may well be to national ruin.

In this connection I should like to make just two observations. First, I hope that the system of allocating these grants according to the respective provincial populations will be abandoned in favour of an allocation based upon the number of university students in each province. In my own province of Nova Scotia a widespread regard for learning and a deep appreciation of its worth bring a relatively high percentage of our population to our universities. In addition, however, the fine reputation which those universities enjoy draws large numbers of enrolments from beyond our borders, so that the proportion of students to the total provincial population becomes, of course, correspondingly greater and in effect, therefore, the current system of allocation of grants among the provinces, based, as it is, upon the total populations of those provinces rather than upon their relative student population, it seems to me, has the effect of penalizing our Nova Scotia universities for those very standards of excellence which are their pride and which they should be most strongly encouraged to maintain.

My second observation in this field ought properly to be addressed to the Minister of Finance (Mr. Harris) who is absent at the moment. In fact, it arises indirectly out of a speech delivered by him at my alma mater, Acadia University, some months ago. Although I was not present I am informed that the minister very eloquently stressed the value of higher education and pointed out the need to foster its pursuit.

The high level of employment opportunity obtaining in this country under the beneficent policies of the present government enables many young Canadians, whose parents would otherwise find it difficult or impossible to meet the expense, to attend college by working during their vacations and in numerous cases by taking part time employment during the term. By and large students with the ambition and energy to do this are of the most desirable type and deserve every encouragement in their efforts.

The student is subject to taxation upon his earned income in exactly the same manner as anybody else but in addition, if he earns $750 or very slightly more in any one year, a modest enough sum today, a parent assisting him through college loses the benefit of even the small taxation exemption of $400 of income allowed that parent in respect of the student.

A friend of mine who is engaged in assisting his sons through college happened to hear the minister speak at Acadia and suggested to me at a much later date that the tax situation I have outlined calls for a generous revision to provide a stronger incentive for such young people to attend college and for their parents to send them. My friend added that it gave the minister an excellent chance to practise what he had been preaching. I accordingly recommend this matter to the careful and I hope sympathetic consideration of the Minister of Finance.

The proposal contained in the speech from the throne to renew on a revised and increased basis the federal program of grants to provincial governments in aid of technical and vocational training is a thoroughly commendable one. The training of skilled workmen is essential for the continuing development of this country and indeed it is forecast in the preliminary report of the royal commission on Canada's economic prospects to which I shall make further reference that the present shortage in this connection is likely to continue indefinitely. Thus the recipient of such training stands in a strong position with regard to employment opportunity, a position infinitely stronger than that of the unskilled labourer.

Let me say here, Mr. Speaker, that in my opinion there is a very real need for a vocational training school in my home town of Amherst, a leading industrial centre of the maritimes. If such a school were located there it would serve not only that town but all the

other communities in my constituency. Although the location of these schools is primarily a matter for the provincial government I hope the proposed increase in federal aid for technical and vocational training may in some measure hasten the establishment of such a school in Amherst.

As the speech from the throne noted, parliament met under the shadow, now removed, of the railway strike. I shall say nothing more concerning this than that its speedy settlement with no element of compulsion is a signal tribute to the tact, patience and fair-mindedness of the Prime Minister in pursuing, successfully as it has turned out, every reasonable avenue toward a peaceful and voluntary solution. It is unfortunate, of course, that now we on the government side of the house shall never know what the members of the official opposition really wanted by way of that direct governmental action for which they so stridently clamoured at the beginning of the session. However, I do not think they know either.

The speech from the throne stated that the preliminary report of the royal commission on the economic prospects of Canada, the Gordon commission, would shortly be laid before us, and it is now in our hands. In general it forecasts for Canada as a whole that great and brilliant future which we all hope and pray she will enjoy. The prophecies for 1980 including a population of over 26½ millions, a gross national product triple that of today, an average individual income two-thirds again as much as at present, must gladden the heart of every Canadian. However, I need hardly say that the section of the report to which I turned with most interest is that dealing with the Atlantic provinces and their special problems.

I gather from what certain speakers have let fall in this debate that they consider the report, in so far as it deals with the Atlantic provinces, unexpectedly pessimistic. I do not regard it in that light; I think rather that it is a frank recognition and preliminary appraisal of problems and difficulties which we all know, or certainly all of us from the Atlantic provinces know, have confronted our section of the country for many years.

It is not news, for example, that although real income per capita in the maritimes over the past 30 years has increased at a higher rate than the average for the other provinces of Canada, the average income in the Atlantic provinces remains less than it is in the other six provinces. It is not news that the Nova Scotia coal industry so vital in the economy of the province in spite of a degree of improvement during the last two years faces a difficult and uncertain future; that our agriculture, as indeed agriculture elsewhere in Canada and abroad, has failed to attain the level of prosperity enjoyed by other sectors of the economy; that for the Atlantic provinces the problem of freight rates and transportation is a thorny and formidable one. None of these things is news. But I think the report by implication at least places squarely before us and clearly emphasizes the fact that the problems of the Atlantic provinces are not merely the concern of those provinces only; they are properly the concern of all Canada to be grappled with accordingly. How bright can the whole Canadian picture be if a substantial part remains in shadow?

At the time of confederation and for a considerable period thereafter, the maritime provinces were fully as prosperous as Ontario and Quebec. For this reason, perhaps, the founding fathers failed to envisage a situation in which the general economy of any one region would begin to lag substantially behind that of the remainder of the country, and failed to devise and embody in the British North America Act any specific provisions to cope with such a situation if it should occur. When it did occur, as it began to do well before the turn of the century, it was only slowly and fitfully that the realization dawned that there was a definite responsibility upon the Canadian nation as a whole to try to correct, in some substantial degree at least, any serious economic imbalance of its various segments.

Such measures as the Maritime Freight Rates Act, the coal subventions, the assistance in moving feed grains from west to east, the adjustments in provincial grants—these were and are indications of a gradually awakening sense of that responsibility; but it cannot yet be said that that responsibility has been elevated, as it should be, to the status of a comprehensive and permanent national policy. This preliminary report of the Gordon commission, in its discussion of the Atlantic provinces and their peculiar problems, indicates, to my mind, that the time has come for the adoption of precisely such a broad national policy. Without a wider measure of federal participation in the solving of their problems, the Atlantic provinces can hardly hope to launch any really satisfactory offensive against those problems.

Does not the report in its optimism with regard to the rest of Canada and its future show clearly that now, far more than ever before, the economic, financial, and industrial resources of the country as a whole are or are imminently becoming entirely adequate for the task, admittedly not a light one, of implementing such a broad policy as I have

mentioned? I ask the Prime Minister (Mr. St. Laurent) and the Minister of Trade and Commerce (Mr. Howe), that pre-eminent and much maligned architect of Canadian economic expansion, a man who never thinks in small terms, if, having read this report, they do not believe that the resources of the Canadian nation are fully equal to this task, without undue strain upon or injustice to any of the more favoured provinces.

If Canada is to achieve a true and balanced greatness that task must be not only undertaken but accomplished. It must be undertaken in the light of the statement on page 99 of the report, that what is required for the reduction in the differential between living standards in the Atlantic provinces and those in the rest of Canada—the report points out that it is in everyone's interest to reduce this differential—is not ad hoc projects and handouts but a positive and comprehensive approach to the problem of the Atlantic region. With that statement I agree, subject to the reservation that there are numerous specific projects in the Atlantic provinces which although their benefits might not extend equally to all parts of the region or might even affect only a small area could and should properly be undertaken as part of a sweeping program of improvement for the whole region.

I think the tenor of the report regarding the approach to the problems of the Atlantic provinces is consonant with certain remarks made by the Prime Minister (Mr. St. Laurent) to the Canadian Congress of Labour in April last, I believe in Toronto. On that occasion the Prime Minister said:

> In some areas, particularly in the Atlantic provinces, efforts on what we might call economic redevelopment seem to be desirable. During this past year in meeting with provincial governments I have been impressed with the readiness of representatives from other parts of the country to realize that special measures should perhaps be taken to improve the economy of the Atlantic provinces.
>
> This merits and is receiving attention from many of us; however, the initiative and the ideas, the energies and determination to accomplish this redevelopment cannot originate in other parts of Canada, they must come from the Atlantic area itself. It will then be for us elsewhere to co-operate and help to make such ideas and efforts fruitful in providing better opportunities for workers in those areas.

I believe that those statements of the Prime Minister if properly considered and acted upon can be taken as a first brief draft of a new economic Magna Carta for the Atlantic provinces. That the initiative, the ideas, the energy and the determination should come from those provinces themselves is entirely reasonable, but I suggest that the various provincial governments should not be regarded as the only channels for proposing action. Such a body as the Atlantic provinces economic council, which is already showing itself capable of rendering signal services to the Atlantic region, might well be made, perhaps with federal representation added for the purpose, an official clearing house for the appraisal and evaluation of projects laid before it from any source and the recommendation or otherwise of such projects for attention in the proper operative quarter. Any broad program such as I have mentioned for the strengthening of the economy of the Atlantic region must certainly have among its major objectives the improvement and stabilization of the Nova Scotia coal industry and of agriculture.

When I speak of the Nova Scotia coal industry it is with the realization that our national life consists of far more than the stolid economic facts which reports such as the one I have been mentioning necessarily make their chief concern. My thoughts turn to the great and tragic calamity which befell the town of Springhill in my constituency at the beginning of last November when a shattering and fiery explosion in one of the two coal mines which are the chief and only important industry of the town brought on a disaster ranking among the worst in Canadian mining history. The story is well known across the country because it received great publicity, but nonetheless I think it is only fitting that in my first speech in this chamber during this session I should make reference to it and express the emotions of shock, horror, sorrow and sympathy which I shared in common with everyone in Cumberland county and Nova Scotia and, I am sure, with all other Canadians at the news of the disaster and ultimately the loss of some two score lives.

Very vividly I remember those days, first when it seemed that not a miner of all those in the pit would emerge alive and later when, through the desperate, death-scorning exertions of the rescue crews and the resourcefulness of the trapped men themselves, the greater number of those below finally reached the surface in safety.

Courage was the common attribute, among rescued and rescuer alike. I have had the honour, as have others, of making representations to the Department of the Secretary of State concerning the recognition of outstanding feats of leadership, daring and determination during those dreadful hours. It is my sincere hope and expectation that fitting awards will be made. They will honour, not only those on whom they may be personally bestowed but the many others who took part in the stirring rescue, and indeed all the citizens of the stricken and valiant town who

so uniformly revealed in the face of catastrophe and grief the most admirable qualities of composure and unwavering fortitude. I add only that these people are Canadians, the finest of Canadians, who, in the struggle to maintain that industry upon which their livelihood depends, merit fully the attention and assistance of the government of this vast, rich and rapidly developing country, which is their country also.

The special study on the Nova Scotia coal industry, which is to be published separately for the Gordon commission, I assume will set forth in much greater detail than is done in the preliminary report the difficulties facing the industry as well as all the available and feasible means of combatting them. Later in the session there will no doubt be an opportunity to discuss the subject at length in this chamber, presumably on the estimates of the dominion coal board. At the present time I wish to pursue it only to the extent of placing on record my approval of the recommendation in the preliminary report that special subsidies be made available for Nova Scotia coal used to generate thermal power in the Atlantic region. This is not a new proposition; it has been vigorously advocated in the maritimes. In my opinion a reasonable scheme of subsidization for Nova Scotia coal so used would mean a substantial increase in the available market for such coal as well as cheaper electric power for the whole region, which is an urgent need.

I realize of course that even the maximum possible enlargement of this outlet for Nova Scotia coal would by no means provide the complete answer to the industry's marketing needs. Obviously it would not, and there must be no relaxation of efforts to assist the industry to maintain or increase its outlets beyond the Atlantic region, whether in central Canada or elsewhere. Nonetheless, a significant expansion of the market for Nova Scotia coal for the generation of thermal power in the Atlantic region would be of substantial assistance to the industry.

I am the more interested in the recommendation I have mentioned because if it were carried out in conjunction with the proposal contained in the Christie report, published a couple of years back, for an interprovincial grid system covering most of the maritimes, the town of Springhill, being near the geographical centre of the whole area concerned and producing steam coal of excellent quality would, it seems to me, be a natural site for a central pithead power station.

With regard to agriculture, Mr. Speaker, the Senate committee which was envisaged in the speech from the throne to consider what should be done to make better use of land for agriculture ought to accomplish distinctly valuable results. I assume that its inquiry will include not only the question of making better use of land for agriculture but also the question of taking entirely out of agricultural production marginal and submarginal lands which are fundamentally unfit for efficient farming. I recall that in the budget debate of last year I raised this point with regard to the maritime provinces, stating that the logical course there would be in most instances to apply such lands to reforestation, and I suggested joint federal-provincial participation in a program directed to that end. I should like to say now that I think my suggestion is worthy of serious consideration by the proposed Senate committee.

I wish to make one more point regarding agriculture, Mr. Speaker, before I resume my seat. I should like to submit, as I have done frequently in the past, that the assistance afforded by this government in the movement of feed grains from the west to eastern Canada, and particularly to the Atlantic region, should be given the status of a permanent national policy. I should like further to submit that in view of the rise in freight rates the assistance provided should be made such as to restore in full the benefit it originally gave.

(*Translation*):

Mr. J. A. Menard (St. Jean-Iberville-Napierville): Mr. Speaker, in rising to take part in this debate I would like to join with other honourable members in offering my congratulations to the members for Edmonton-Strathcona (Mr. Hanna) and Gloucester (Mr. Robichaud) who have respectively moved and seconded the address in reply to the speech from the throne. Their views were expressed objectively and brilliantly, and we must congratulate them on having spoken in both official languages of this country.

Now, I would first like to offer my respectful compliments to the Prime Minister (Mr. St. Laurent). As a Canadian, I express the wish that for many years to come he retain his health, an assurance of peace and happiness not only to the Canadian people but to every nation in the world who owe so much to the eminent part he has played on the international scene.

It is with great pleasure that I take this first opportunity to congratulate the Prime Minister on the success obtained by him in helping to solve the Canadian Pacific strike. I must also congratulate the Secretary of State for External Affairs (Mr. Pearson) on the great part he has played at the United Nations during the Suez canal crisis. Can-

ada's intervention on this occasion will go down in history. The Minister of National Health and Welfare (Mr. Martin) is also entitled to his share of congratulations for the goodwill journey he has just accomplished in Asia.

Looking upon Canada's ever growing prestige throughout the world one cannot help noticing that this prestige has been increased by the extremely wise foreign policy followed by the present government. In the event of a crisis such as the Suez canal crisis of last fall, it is comforting for the whole people to be able to count on the devotion and statesmanlike qualities of those who are at the head of the Canadian Liberal party.

I must say that I am happy to be a supporter of such a dynamic and enterprising government, a government which is desirous of favouring, by every means at its disposal, the perfect development of our natural resources which, at this time, still have an unlimited value.

In my own constituency, which comprises the counties of St. Jean, Iberville and Napierville, I think that we have widely benefited from the prosperity which our country generally enjoys at this time. If the gross national product now exceeds 29 billion dollars I am happy to say that everybody in my constituency, producers, manufacturers, tradesmen, farmers and workers have contributed more than their share in attaining this very high figure which is the envy of every other nation in the world. Mr. Speaker, at this time the construction of a new post office which will be named the Alcide Côté building is well under way. I hope that the opening or blessing of this building will provide an opportunity for members of the cabinet and other honourable members to visit my constituents who, I am sure, would be greatly honoured by such a token of consideration.

Since the opening of the College Militaire Royal at St. Johns by His Excellency the Governor General, great progress has been accomplished.

At this establishment a number of new buildings are almost completed. I am also aware that other improvements and additions no less important will be carried out in the near future.

Ever since my election to this house, I have endeavoured—and still do—to make this new bilingual school for officers of all arms an institution which will be a credit to the whole of Canada, by the quality of its training as well as by its material aspects.

Aware of the rich military record of the St. Johns area, and wishing to maintain that special character to the area, our government acted wisely in establishing there the preliminary training school for all establishments of the Royal Canadian Air Force. Thus, all young people of both sexes enlisting in the R.C.A.F., must make a stay of at least five weeks at the St. Johns station before being posted to other Canadian training or service bases. That training school has its own airport where a private company is entrusted at the present time with the repairs of motor aircraft. Because of the adoption of the turbo-jet aircraft, whose number increases constantly and which in the not too distant future will replace the ordinary piston engine aircraft, I believe that the extension of the runways at St. Johns airport is now a must, in order to allow that company to continue carrying out repairs and maintenance of the latest aircraft models in St. Johns. Incidentally, I wish to point out that we have in my constituency expert and skilled labour. That progress is illustrated by the fact that in the past ten years this important company, one of the best equipped in the country for that type of work, has increased its staff from 40 to 460 employees.

Moreover, from a strategic point of view, military authorities recognize St. Johns airport, because of its proximity to the city of Montreal, like the base at St. Hubert, as indispensable to better protect the island of Montreal. All the more reason then to carry out the extension of the runways so that aircraft of all types may have access to St. Johns airport.

I am pleased to point out that the property sold to the city of St. Johns by the federal government about ten years ago, is already occupied by two industries employing more than 350 people. Part of the property is taken up by the arts and trades school. A municipal stadium has also been built there and a large area reserved for a civic centre. I therefore thank sincerely those who have co-operated directly or indirectly to all this progress in my constituency; they have all my gratitude.

Mr. Speaker, among several important projects, there are two in my constituency which I have particularly at heart. One concerns the dredging of the Richelieu river channel to a depth of 14 feet. That project was put under way back in 1938 through the building of the dam at Fryer island, which was carried out that same year. It seems that the last war was the main cause of the interruption of the works, but I believe that it is time now to continue and complete this important undertaking.

As regards the other project which I favour, it has to do with the building of a canal of a total length of about 14 miles to connect St. Johns and Laprairie as well as the St. Lawrence seaway with the Richelieu river.

This new waterway would allow ships to travel between New York and Montreal, or the great lakes, and thus avoid a distance of more than a thousand miles. I am convinced that the construction and maintenance costs of such a canal would be perfectly justified since heavy shipments of all kinds of goods could be carried through that new waterway.

At the national level, I believe that the two greatest achievements of this government have been the construction of the trans-Canada pipe line and the St. Lawrence seaway project. By themselves, these two undertakings show in no uncertain way that our present leaders are eager to achieve national economic unity.

In all fields, Canada is asserting itself more and more among other older and more populated nations. One cannot emphasize too much the creditable achievements of Canadian delegations throughout the world, for the enhancement of Canada's prestige.

This country, which certain people were pleased to refer to as "a few acres of snow", has had a phenomenal expansion through the unceasing work of our hardy pioneers, explorers, technicians and enlightened businessmen. Let us thank Providence for so many blessings.

From the Atlantic to the Pacific, throughout our country, and even up to the confines of the Arctic, this intense development has been made possible through a systematic organization of transport and communications by land, sea and air. Very few countries, in proportion to their population, can boast of such achievements. The economic future of our country is now secure thanks precisely to the efficient policies advocated by the Liberal government, strengthened by the confidence and the sincere support of all classes of society.

Thanks to the efficient leadership of our Right Hon. Prime Minister, the St. Lawrence Seaway project will very soon become a reality. This gigantic masterpiece of engineering will bring us a new potential of electrical energy which will promote the development of the surrounding districts. Navigation facilities on the rivers and the ocean will now be extended right to the heart of our country.

Is not our Prime Minister himself, by his dynamic personality and his sense of organization, a true symbol of energy? His personal energy could well be compared to that new source of energy made possible by and resulting from the St. Lawrence Seaway project. One can rightly give him a large part of the credit, since he is responsible for this undertaking.

Let us rejoice at having as leader of the Canadian government a man so eminently qualified to guide the destinies of this country. May God give him long life so that Canada may benefit for a long time from his broad experience. I also wish that he will be able to keep counting upon his present valuable and devoted colleagues, in the best interests of the Canadian nation.

When listening to the speech from the throne, I have been very happy to see, Mr. Speaker, that the Canadian government which has done much for our farmers in eastern Canada, proposes to establish a senate committee for the purpose of increasing, through scientific means, the agricultural output of this area.

I wish to assure my friends, the farmers of St. Jean-Iberville-Napierville, that I am going to follow very closely the most important work of this committee, so as to make all possible benefits available to them, because no one has a keener desire than I have of seeing them happier and more prosperous.

I also wish to join the hon. member for Iles-de-la-Madeleine (Mr. Cannon) who, in his speech of January 10 last, urged the government to increase family allowances. The young people we are helping today are the men of tomorrow.

Before resuming my seat, Mr. Speaker, let me once again express my sincere thanks to my electors for the honour they have conferred upon me by choosing me as their representative in this Canadian parliament. (*Text*):

Mr. Ambrose Holowach (Edmonton East): Mr. Speaker, I should like to congratulate the hon. member for Edmonton-Strathcona (Mr. Hanna) and the hon. member for Gloucester (Mr. Robichaud) who initiated this debate by moving and seconding the address in reply to the speech from the throne. Representing as I do a constituency adjoining that of the mover, I was naturally glad to hear him make favourable reference to and acknowledgment of the accomplishments in our community of Edmonton and in the province of Alberta generally.

Let me begin, Mr. Speaker, by saying what an inspiring task it is for us to be able to rise in our places in this chamber and, without any fear or hindrance, conscientiously express our opinions. That is something I intend to do. I think it is good that we should contemplate this freedom, because

it sums up very well the purpose of parliament and the history and destiny of this nation. There is conclusive evidence that in the world struggle between our way of life and the regimented way of life the greatest advantage we have is our political freedom. This advantage, I am sure, has restrained many of the uncommitted people in the world from giving credence to the charge that our democracy acts only for the few and that parliament does not represent the will of the people.

This consideration leads me to conclude that we as members have an outstanding task ahead of us. A complete awareness of our responsibilities as members means more than giving lip service to humanity. It means showing our practical concern for the advancement of those political concepts held by our people, and providing our country and all sectors of our society with well-being. Unfortunately this is not the case today.

Perhaps all this sounds like the obvious, but I say it for this reason. It seems to me that much of what has been said thus far by government supporters consists of complimentary remarks with respect to the past accomplishments and record of this government. Mr. Speaker, the people of Canada are not interested in platitudes. Of that fact I am sure. They are too greatly concerned with the bread and butter issues which dominate their daily life. That being so, they insist that we, their representatives, do something and come to grips with these problems.

I am not accusing individuals or this government of being indifferent to this concept, but why have we not read in the speech from the throne or heard from government spokesmen what policies this government proposes in order to resolve the acute problems of burdensome taxation which the people of Canada have been carrying for such a long time; inflation; the ever-increasing costs of living; the insecurity and frustration which face our aged, the handicapped, the blind and the veterans? What about our debt, personal, municipal and national? What about the problem of the municipalities pressed to the wall by acute financial problems? What about the discriminatory freight rates which hit hardest at the province from which I come and which inflict hardship on everyone located there? What about the dilemma in which the working man finds himself in his efforts to provide security for his family in the face of ever-mounting costs of living? How about the farmer's problem and the dilemma of the small businessman?

Of course, limitation of time will prevent me from discussing all these problems in detail. However, I am sure that many of my colleagues will elaborate on them. I therefore propose to speak on the need for solutions to those problems that are upon us at this time with terrible urgency. We live in challenging times, and there are very serious problems that face this nation and our people. What about the heavy tax levies with which the people of Canada are burdened? Our present taxation polices make it virtually impossible for people to save. Our present taxation policies make it impossible for people to pay cash for the things they need in order to sustain a proper standard of living. Our present taxation policies are paralysing the incentive and the initiative of our people.

Is it any wonder that instalment credit buying in our country has reached an all-time high? What is instalment credit buying if not a symptom of insufficient purchasing power in the hands of our people, much of which has been arbitrarily removed by the taxation policies of the Liberal government, necessitating the people plunging themselves into debt when they buy. At a time when there is every evidence that some tax relief is essential to offset the credit squeeze the present government persists in denying such tax relief.

The point I make is simple. The continuation of high taxation will result in decreased production and a continuation of inflation. In addition, Mr. Speaker, we all know that when taxes become burdensome, as they are today, they become inflationary. The heavy load of the various taxes incorporated into the prices of goods has raised those prices to an all-time high. In my opinion hidden taxes are a major source of our inflationary problems. In this connection may I quote from an editorial which appeared in the Winnipeg *Tribune* of June 12, 1956. It is entitled, "Hidden Taxes Rob us Blind".

> Loudest wails by the taxpayers are usually reserved for the amounts they have to cough up in personal income tax, but the truth is that indirect taxes take nearly twice as much from them during the course of a year.
>
> The 1955-56 breakdown on federal revenues showed a total of $1,180 millions from personal income tax, and a return to the government of $2,028,400,000 from all indirect taxes.
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> Writing in the current issue of *Liberty* magazine, Fred Edge, a Toronto newspaper man who sometimes corresponds for the *Tribune*, points out that Ottawa's tax bite goes on everything from diaper pins to coffins. He gives some examples including $450 excise and sales taxes on a $2,600 automobile; $3.16 for provincial and dominion governments on a bottle of Canadian-made rye that is worth 84 cents; $87 on a $350 electric range and 17 cents on each package of cigarettes, or $62.05 a year at the rate of a package a day. In his article Mr. Edge makes a number of points that the *Tribune* has hammered home for several years—for example,

he advises retailers to show the amount of hidden taxes concealed in a selling price so that the blame may be assigned to the government rather than to the merchants, and he complains about the viciousness of tax on tax and cites the case of a new suit made of imported material on which there is a $5 customs duty. As the suit passes through various hands in reaching the customer, there is a 10 per cent retail sales tax on a 10 per cent wholesale sales tax on a 10 per cent excise tax on the $5 customs duty charged on $30 worth of imported material. Mr. Edge comments: "Besides this pyramiding of the original customs duty, each successive sales tax pyramids similarly on preceding sales taxes."

The statement is made that hidden tax revenue is higher now than ever before in Canada's history, and one of the most revealing statements with which most taxpayers are familiar by now is that the automobile industry in Canada turned over $172 million to the dominion government in sales and excise taxes on new cars—taxes paid by the customers—and yet the total payroll of the automobile industry was $154 million, which is $18 million less than the taxes total.

All this is going on, Mr. Speaker, at a time when the federal government is raking in a huge budgetary surplus. The article goes on:

Under the present Liberal-socialist government there is no escaping these heavy taxes, direct and indirect, and there is certainly no demonstrated application of economy by a government that is heavy with 20 years of power. As Mr. Edge wound up his article: "The government last year pocketed roughly $1 million on the hidden sales tax on coffins."

No fair-minded Canadian resents paying a fair share of taxes to enable the government to function properly, but taxing all of the people all of the time has become a habit of the Liberal government. Tax, spend and be re-elected; get in and stay in; never mind the little taxpayer. That is the motto of this government today. The jungle of taxation has invaded every single field of human endeavour and resulted in the greatest centralization of power the people of Canada have ever had. Income tax, corporate tax, excise tax, sales tax, direct taxes and indirect taxes—the ruthlessness of this taxation system is seen in the fact that last year the government hauled in hidden sales taxes on coffins a sum totalling $1 million.

The fact is, Mr. Speaker, that every single Canadian, every labourer in Canada, works several months each year to sustain our oversized government. Of course, the question arises, but where are we going to get the money to pay for the expenditures of the federal government? The answer is simple; by economizing and instituting stringency and frugality into every government department. Is it morally right that the experts in the financial department of this government should cry to the high heavens that it is immoral for people to spend more than they earn, yet this government does nothing about trimming its own colossal spending spree? One of the most fallacious arguments of the orthodox financiers is that the government can obtain high revenues only if it has high taxation. A law of economics provides, and there are many examples, that as long as there is improved consumer demand for goods and services in our country, and this is the case today, the government can obtain high revenues with reasonable taxation by reason of the turnover created by this very consumer demand.

[Mr. Holowach.]

Let me just illustrate my point. In 1954 the United States government slashed taxes by some $7 billion. Did that result in a depression? Did that result in insufficient revenues to the government so it could not function properly? On the contrary, it resulted in the greatest spurt in the economy of that country. It resulted in added revenues to the government. Incidentally, much of that prosperity in the United States spilled over into our economy by way of capital investment in our natural resources development. Suffice it to mention the remarkable recovery of the republic of West Germany. A few years ago she stood among the bankrupt nations of the world, amidst the rubble of bankruptcy. Today West Germany stands as an example of economic stability. The lesson to be learned is that by economizing and making drastic cuts in the taxation laws Germany has achieved this enviable position. The need for substantial tax reductions is widespread and acknowledged.

In a news letter issued by the department of economic development of the Canadian Chamber of Commerce in December reference is made to a poll conducted by the Canadian institute of public opinion. I quote:

To check on the mood of the people in a pre-election period the Canadian institute of public opinion asked this question on taxes:

"Do you consider the amount of federal income tax which you have, or your husband has, to pay as too high, about right or too low?"

The answers showed that across the country 62 per cent of Canadians felt that federal income taxes were too high at this time. Thirty-three per cent said they were about right and 5 per cent were noncommittal.

Sir, we Social Crediters in parliament have consistently advocated and we shall continue to propose that a complete overhaul of our taxation system and its laws be undertaken immediately. We urge clarification of the interpretation of many of our existing laws respecting taxation. We urge that those taxes which are restrictive to consumption and productive free enterprise be reduced or abolished as a stimulus to greater consumption and production.

What about the mounting debt of our nation? Canada's gross national debt stood at

$3,710,610,592 as of March 31, 1939. It rose to the colossal figure of $17 billion as of March 31, 1952. In 1956 it reached the staggering figure of over $19 billion. Mr. Speaker, is this not a matter of serious concern to every Canadian and to the members of parliament? If we add to this gross national debt the personal debt of our people, the municipality and provincial debts, we have a debt picture such as no other nation of 16 million has ever had in its history.

In all fairness, the people of Canada ask, is this an example of the businesslike efficient management which the people are entitled to have in their senior government? It is a situation, I believe, which should alarm even the most unwary. Clearly it is a situation which alarms every thoughtful Canadian, when he learns that between the fiscal years 1868 and 1953, $8,045,608,184.29 of his taxes went to pay the interest charges on the national debt. The source of my information is page 1067 of *Hansard* of January 13, 1954, where a question appearing on the order paper in the name of the hon. member for Bow River (Mr. Johnston) was answered officially. To comprehend the implication of such a huge debt is to consider that approximately $500 million of the taxpayers' money is required yearly to pay the interest charges alone. I tell you, Mr. Speaker, that if any private enterprise, any private business in Canada, imitated even remotely the fiscal policies of this government, it could not very long survive.

Well, what should we do? We have not to look very far for an answer. Look at what is being accomplished in the province of Alberta under a Social Credit administration. In 1935 Alberta stood in the midst of a depression and was actually economically bankrupt. The treasury was empty. Previous Liberal and U.F.A. governments left us an inheritance of $167 million of debt. A population of fewer than a million was left with that debt. At that time it took 51 cents out of every dollar collected by our treasury to pay the interest on the debt; and to add insult to injury Ottawa declared our province credit unworthy. We were financially boycotted.

What were we to do? We started putting our affairs in order by implementing the Social Credit principle that a nation cannot tax or borrow itself into prosperity. We accepted the precept that the establishment and preservation of justice and equity for all men calls for a stop to the strangling power of debt. Armed with this belief, and with the most careful type of economizing, we overcame the difficult situation. Today Albertans point with pride to the fact that we are the only province in Canada that in 21 years has not borrowed one cent. In addition we have repaid the major bulk of that debt, and for all practical purposes today we are virtually debt-free, another first for Alberta.

Sir, Social Credit members have consistently pointed to the need for a progressive reduction and eventual liquidation of the public debt. There are, of course, many other areas of national importance in which progressive thinking is required at the federal level. What is the present government doing to alleviate the precarious financial position of municipal governments throughout the country?

Mr. Byrne: What is Alberta doing?

Mr. Holowach: I will tell you right away. On November 23, 1956, the Canadian federation of mayors and municipalities urged the federal government to call a federal-provincial-municipal conference to discuss acute problems in municipal finance. In their brief of 25 pages they pointed out the financial plight of municipalities as being, and I quote—

—a matter of national concern and as such should be regarded as a matter of national importance.

Are we to take it that the proposed legislation outlined in the speech from the throne is the Liberal answer to this serious problem, a proposal which says that the Liberal government has finally agreed to pay municipal taxes on crown property in certain municipalities?

One of the most erroneous concepts that is being spread is that the financial problems of municipalities are local problems or provincial problems. Let the provinces solve them. That is passing the buck. That is a concept from the dark ages. Inasmuch as the federal government constitutionally has jurisdiction over monetary policies, the problem connected with municipal finances can only be resolved by a realistic monetary policy at the national level.

During the discussion on the tax rental agreement we fought for a more generous return to the provinces of their own money not only in order to restore stability to them but to enable them to give municipal aid, ensure a proper balance among the three levels of government, to promote decentralization; but no, the federal government is not happy unless it retains 75 cents out of every dollar collected in taxes. I referred to the need for a more equitable distribution of the national revenue. In *The Ensign* of

March 24, 1956, there appears a reprint of an article from the Toronto *Telegram*. I quote:

> The plain fact is that while the federal government's needs and costs have increased, provincial and municipal governments have been receiving less and less of the tax dollar. In 1930 the dominion government took 40.5 per cent, while provincial governments received 20.2 per cent and municipal governments 39.3 per cent. Compare this with 70.9 per cent for the dominion in 1951, 17.2 per cent for the provinces, and 11.9 per cent for the municipalities.

Today the Liberal government at Ottawa collects over 75 cents of every tax dollar in our country, leaving only 25 cents of that tax dollar for the provincial and municipal governments. We Social Crediters resent these problems, not only because there is no valid excuse for their existence in our wealthy country but also because we are concerned that if they are left unresolved they will whittle away the independence and incentive of our people. Because they have been left unresolved, these problems little by little are undermining confidence in our way of life. They are forcing our citizenry more and more to accept dependence on an all-powerful central government here at Ottawa.

In spite of these serious problems, Mr. Speaker, the government continues to drum to the country the theme of unprecedented prosperity. "You never had it so good," they say to the people. "Why look at the gross national product; it has reached the $30 billion mark". So what? Naturally we are glad that production is on the increase in Canada, but what difference does it make whether our gross national product reaches the $30 billion, $50 billion or $100 billion mark? The acid test of real prosperity and an enlightened civilization is the financial distribution of that increased wealth. The government has not succeeded in doing this.

What about the aged, the blind, the veterans and the handicapped? Are they sharing in this increased wealth? I refer to these people because if there is any element in our population deserving of special consideration it is our aged, our handicapped and our veterans. In 1951 when their security pension became operative, our gross national product was over $21 billion, and in 1955 it rose to over $26 billion. Today it is close to the $30 billion mark. Why have these people not shared in the increased wealth? What about the dilemma which faces our farmers, who are penalized by uncertainty and reduced incomes for having produced great abundance? What does the government intend to do to correct this basic ill?

[Mr. Holowach.]

What about the small businessman in our communities? The present tight money squeeze deliberately designed by the government to curb expansion has hit him the hardest. This credit squeeze, the hoisting of bank interest rates, has dried up the last available source of bank credit to small businessmen. Previously a small businessman could not borrow all he needed even at high rates of interest, but at the present time with credit slammed shut his case becomes practically hopeless. Canada needs to expand and requires capital with which to do so. We urge that aid to the small businessmen be increased, not destroyed or entirely removed.

What about the coal miners of Nova Scotia and the textile workers who have been suffering chronic unemployment? What about the lumbermen who are facing a similar problem? Are they sharing in our increased prosperity? The truth is that a difference exists between progress and real prosperity. Our present prosperity is artificial; real prosperity results only when the now splendidly rising trend of production is made financially available to all those who need it within our country and abroad.

At this time, Mr. Speaker, I wish also to call attention to a situation which has aroused the people of my constituency and every fair-minded Canadian in the country. I refer to the fact that treaty Indians are now being ordered off the Hobbema reserve in Alberta. This has occurred elsewhere as well, and can result only in untold hardship for these native people. Last session I had occasion during consideration of the estimates of the Department of Citizenship and Immigration to speak of Indian affairs, and at that time I emphasized the fact that Indians should be given a new deal and that this government should do something new and live up to its obligations to the Indians. We all know the Canadian Indians are not only the most poorly fed, poorly housed and poorly clothed of any people in Canada but as demonstrated by the evictions to which I referred they are also the most insecure even on their own reservation. It is time for the minister and his department to show responsibility and take substantial action to amend or change the present laws which permit the expulsion of Indians from their sanctuaries.

Does it make sense that innocent men, women and children are asked to pay the penalty for acts committed by their fathers

or grandfathers? What we have demonstrated in these heartless expulsions is nothing less than a blind insensibility to the human needs of these Indian people. Is it not thought-provoking that on the one hand we welcome Hungarian refugees to this country —and may I add that we are glad to have them with us, because Canada can absorb many people—yet on the other hand evict these native people from their reservations? We welcome the newcomer but evict the old comer, as it were. It is my sincere hope that the minister will recognize this injustice and will act favourably to change the law in order to prohibit further evictions.

Before concluding my remarks I wish to make a brief comment concerning the sub-amendment moved by the leader of the C.C.F. (Mr. Coldwell) and seconded by the hon. member for Cape Breton South (Mr. Gillis). That amendment reads as follows:

That the amendment be amended by inserting therein, immediately after the words "the rights of parliament" the following words:

"and by reason of their failure to announce legislation establishing a comprehensive and nation-wide program of health insurance, with provision for provincial participation."

We intend to support this amendment. We do so because of the importance of the subject with which it deals. On many occasions Social Crediters have emphasized their conviction that there is no greater asset to any nation than the health of its people. This being so, every effort must be made individually by our citizens and collectively through government programs to achieve the highest national standards of health and well-being.

As we see it, the national health program should have as its objective making it possible for every citizen of Canada, irrespective of means, to obtain hospitalization, dental and optical services, coupled with a sound health education emphasizing preventive measures. Such a health scheme would develop rapidly and become broader as production and national development make it possible to widen its scope in order to avoid an avalanche of taxes, and without plaguing the nation with embarrassments which would arise from the implementation of such a scheme before adequate trained personnel, hospital and clinical facilities were available.

On the basis of what we read and hear respecting a national health insurance program as envisioned by the C.C.F. party, let me emphasize that the Social Crediters differ on the basic fundamental approach to this vital undertaking. We oppose the centralization of control. Our approach and our program recognizes (1) a fair share of individual responsibility; (2) that emphasis must be placed on preventive medicine, that is keeping people well; (3) that patients should have a choice of doctors and the program should guarantee no regimentation of medical personnel or hospitals; (4) that the program must be devised by joint co-operation of the municipal, provincial and federal governments; (5) that the administration should rest with the provincial and municipal governments and (6) that adequate federal subsidies must be available in order to keep costs down.

Mr. J. A. Simmons (Yukon): Mr. Speaker, at the outset I wish to congratulate both the mover (Mr. Hanna) and the seconder (Mr. Robichaud) of the motion upon which this debate is based. They both carried out their responsibilities with distinction to themselves and with credit to their respective constituencies. May I just add the comment that the excellent address of the hon. member for Edmonton-Strathcona might have been improved to an even greater extent if he had referred to that land of greater opportunity on which the future prospects, prosperity and growth of Edmonton will largely depend, namely the Canadian north.

I know that hon. members of this house regardless of party are glad to join in welcoming back the Minister of National Health and Welfare, who has just returned from a most successful tour of 15 countries in Asia and Australasia. Accompanied by Mrs. Martin and a capable staff the minister accomplished a strenuous and challenging diplomatic mission in masterful fashion. All must agree that the minister's conduct everywhere reflected great credit on Canada and on what this nation represents in world affairs. I am sure also that Canadians appreciated the very able press coverage of the entire journey provided by the Southam news service through its correspondent Douglas Leiterman.

The Minister of National Health and Welfare upon his arrival in Ottawa was quick to admit that his good-will mission was made much easier by the visits made to Asian countries by the Prime Minister, the Secretary of State for External Affairs and the Minister of Fisheries. Canadians are respected everywhere, not only because of the high calibre of public men who travel to these important parts of the world but also because it is realized that Canada has no selfish ambitions, that Canadians want peace and have shown

themselves to be trusted mediators in disputes between large nations or powers.

I wish to commend also the Minister of Citizenship and Immigration for his tireless humanitarian efforts to find sanctuary in this country for as many valiant Hungarians as this country can absorb. His mission to Austria by air before Christmas caught the imagination of all Canadians, and impressed the country with the energy and ability of this young cabinet minister. In this connection I want to draw attention to the splendid work of the officials of his department in welcoming and placing in employment those Hungarians who have been transported thus far to Canada. In particular I wish to pay tribute to Mr. Bird, the district superintendent of immigration at Vancouver, and his assistants who worked night and day, faithfully and diligently, to encourage and rehabilitate these deserving newcomers to our country.

I want to take advantage of this opening debate of the session to deal with some of the pressing transportation problems in the Yukon. Before I do so I think it would be appropriate to say something about the transportation situation nationally. I am sure all hon. members of the house rejoiced that a formula had been found by which the Canadian Pacific Railway strike was brought to an end. The Prime Minister and Minister of Labour are to be commended upon their mediation efforts to bring about a settlement without having to resort to any kind of compulsory arbitration.

At this critical time in the opening up of the Canadian north the royal commission on Canada's economic prospects has chosen to ignore in its preliminary report the very existence of the Yukon and the Northwest Territories. No mention whatever is made by the Gordon commission of any transportation problem, whether it be railway extensions from British Columbia or Alberta, additional highway facilities, or other assistance to the mining industry in the north. Even in the case of national population figures the two northern territories are definitely excluded, just as their problems and possibilities are excluded from the report itself.

Surely no Canadian can look upon this preliminary report and feel otherwise than that the commission has failed to discharge its primary duty and obligation. With the eyes of the world fastened at the present time on the potential greatness of our northern areas it is obvious that the Gordon commission by its silence on this subject has shown a wilful lack of that sort of vision and understanding which made possible the creation and growth of Canada itself. May we still cherish the hope that the commission's report in its final form will remedy this fundamental weakness and correct what appears to be a total disregard of an area which may well be the future economic salvation of the continent.

In any event the federal government should not hesitate to prove to the rest of the world that Canada does not neglect her northern areas and her northern heritage. I might say that the people of the Yukon have the utmost confidence in the Minister of Northern Affairs and National Resources. I want to commend him for his constructive and understanding approach to the many and varied problems which come under his jurisdiction. I know the minister realizes that the people residing in the north are pioneering the country and paving the way for additional development, and are entitled to the best service, assistance and encouragement the federal government can provide.

To get back to this matter of northern transportation, a glance at the map of northern Canada will serve to show the great benefit and value of an all-weather road from the Yukon across to the Mackenzie river delta and the site of the new Aklavik. I propose to dwell upon the subject of roads in the north, because if the resources of the territories are to be developed it is surely the duty of the federal government to use all possible means to build and maintain proper road communications. Up to the present time the federal government road program in the north has been far from adequate, and has been steadily lacking in awareness of the vital necessity for the accelerated construction of roads which will assist in opening up this important part of Canada.

In this connection I may say that the federal government has seen fit to establish a new road policy in the Yukon to take effect from April 1, 1957. I understand that under this new policy the entire cost of construction of development roads in the territory will be borne by the federal government, and in addition 85 per cent of the cost of the maintenance of those roads will be the responsibility of the federal government, the other 15 per cent to be borne by the territorial government.

Just at this point I might say that the previous financial agreement between the federal government and the territorial government will expire on March 31 of this year. A new agreement will then come into effect. The agreement presently in force has most certainly failed to meet the present needs of this fast-developing territory because of the

shortsighted, penny-pinching attitude of those people in the department who formulated the policy contained in the agreement when it was drawn up about five years ago. It is to be hoped that improved vision and better understanding will be displayed in connection with the drafting of the new fiscal arrangements.

It is imperative that this new arrangement be not passed strictly on population figures, as is the case with similar agreements with the provinces. In the case of the Yukon it should be based on a different formula, one more applicable to the special conditions in that area.

It is obvious that in a part of Canada where the land area is so large and the population is so small and scattered as in the Yukon it is neither a sound nor fair basis for these payments to be measured by the population yardstick only. Undoubtedly it should be the sole responsibility of the federal government, not the territorial government, to provide all capital expenditures required to maintain and advance our economic position in the north, when one considers that the federal government receives all the revenue now derived from the exploitation of the natural resources in the territory. The territorial government has its hands full to take care of its own administrative problems with the revenue it now receives. One thing is certain. The federal government will eventually reap the future benefits of any investments they make in the north at this time.

Again on the subject of road transportation in the north, Mr. Speaker, in the Yukon Territory we have seen how the Alaska highway, the Haines cut-off road, the Atlin road, the roads to Mayo and Dawson and the Canol road have made the southern half of the territory accessible to prospectors and developers. As a result many important deposits of nickel-copper, silver-lead-zinc and asbestos and other minerals have been discovered, which undoubtedly will add greatly to the wealth of the Yukon Territory and of Canada and provide a livelihood for many workers in the future. In the last few years the prospector and the exploration companies have advanced into the northern half of the territory with most encouraging results. I might add that the northern part of the Yukon Territory and the adjoining part of the Northwest Territories are considered by those people who know these things to be very favourable for the deposition of oil and gas as well as other minerals.

It should be remembered that the first oil field in Canada, apart from the pioneer production in southwestern Ontario, was discovered at Norman Wells, which is in this favourable area adjoining the northern part of the Yukon Territory. I have no doubt that the persistence which these oil explorers are known to possess, their skill and the money which they are willing to venture will lead to the discovery of further oil fields in this area.

This all leads to the point of my talk, which is that we should do everything possible to assist this northern development and exploratory work. The essential way in which this can be done is by improving the transportation facilities. In recent months we have heard much about the distant early warning line and what an important part the Arctic areas of Canada are playing and are going to play in the defence of North America. Judging from stories which have been published in the press, I think it is safe to say that a considerable tonnage of freight is being and will be required in the construction and maintenance of these defence facilities.

At present freight can be taken into the Arctic only by water during the very short navigation season, either down the Mackenzie river or around Alaska by the Bering sea. Much of it has been taken in by airlift, and this is very expensive. Some can be taken in overland when the ground is frozen. The latter two methods are very expensive or more difficult than would be the case if we had an all-weather road to the Arctic coast.

Aklavik on the delta of the Mackenzie river in the Northwest Territories is only about 750 miles by road from tidewater and a 12-month port on the Pacific coast at Skagway, Alaska, or Haines, Alaska. About 350 miles of this road are already built. The first 110 miles is covered by the White Pass railway from Skagway to Whitehorse, or it is 259 miles from Haines, Alaska, to Whitehorse via the Haines cut-off and the Alaska highway. The next 260 miles is covered by the all-weather road from Whitehorse to Mayo or Dawson.

A further glance at the map will show that Aklavik is almost due north of Skagway, Haines, Whitehorse, Dawson, and Mayo, and that the Peel river which rises in the northern part of the Yukon Territory cuts through the Mackenzie mountains before it joins the Mackenzie river at the delta near Aklavik. We thus are provided with a natural pass from the Yukon Territory to the Mackenzie river delta by means of the valley of the Peel river. Once through the Mackenzie mountains the road might swing over to Arctic Red river where it could cross the Mackenzie river and thence on to the new site of Aklavik.

A road starting from a suitable point on the Whitehorse-Mayo-Dawson road at or near Dawson City or Mayo, depending on the results of a survey to determine the feasibility of these routes, and proceeding to Aklavik via the Peel river would assist materially in the exploration and development of the mineral resources of this part of Canada and in providing the quickest, cheapest and most dependable all-weather transportation route to the western Arctic coast.

I think the government of Canada should take note of this fact and begin to assemble further detailed information on this route at once. I strongly advocate that a sufficient sum of money be placed in the estimates of the northern affairs department to cover the cost of a location survey to enable early commencement of actual construction to be made without wasting any more precious time. A preliminary aerial survey should be undertaken as early next spring as weather conditions permit.

According to my information, the proposed route of the road starting at or near Dawson City or Mayo would traverse one of the most highly mineralized areas on the North American continent including oil and gas. Several years ago a geologist working in the north gave me his opinion that the greatest reservoir of oil on this continent is to be found in the area stretching between Dawson and Aklavik. In his view the major producing oil fields in Alberta of Pembina, Leduc and Redwater were merely fringe or marginal pools compared to the possibilities of this northern reservoir.

It is obvious what great benefit such a road would bring to the people residing in the Mackenzie river delta, as well as providing the necessary facilities for the maintenance of the distant early warning line. In addition, such a road would afford the people of that area year-round access to a port at tidewater on the Pacific at or near Skagway or Haines, Alaska.

The peoples of the delta naturally need to stockpile their food, provisions and other material for many months each year, and to provide heated storage and so forth to carry them through the long winters. As every hon. member will realize, this means an added burden inasmuch as it increases substantially the cost of living in that area. The proposed all-weather road would enable merchants and others to bring in necessary provisions regularly, and would largely do away with the need to stockpile. The road would be one of the most important projects that could be undertaken to promote the economic welfare and stability of the northern Mackenzie river district, as well as the northern Yukon areas. In fact it would be nothing less than culpable neglect on the part of the government to sidestep further this highly significant and very practical measure.

During the past few years a considerable sum of money has been spent on oil exploratory work by the Peel Plateau Exploration Company in the Eagle Plain area north of Dawson City in the vicinity of the Porcupine river. Supplies are taken into this area by tractor train from Dawson City during the winter months, following the proposed route of an all-weather road through the valley of the Peel river to Aklavik, Northwest Territories. To foster and encourage mineral exploration along the route suggested, I think it is only fair and reasonable to expect that the federal government will assist the exploration company in maintaining a winter tractor road to Eagle Plain. If our north country is to be opened and developed in the way it should be, the federal government should assist the companies and individuals who are willing to risk capital in such ventures, especially in areas which are favourable to mineral development.

The new policy of the federal government to provide development roads to promising mineral areas is a good step forward, but all depends upon how such a policy works out in practice. Heretofore the federal slogan has been, "You show us that you have a producing operation and we will provide a road". Properly to open the Yukon, road development in the territory is of prime importance. Development of its mineral resources has been retarded throughout the years by the lack of roads, the result of a lack of administrative vision.

In the case of the Vangorda creek base metal deposits along the Pelly river, Prospectors Airways Company alone has expended approximately $900,000 on developing this project in the initial stages. During the past three years the federal government has expended about $5,000 for the maintenance of the Canol road from Johnsons crossing to the Pelly river, and approximately $50,000 for the survey of a projected road from Carmacks to the Prospectors Airways Company property and on to Ross river. I am told that a portion of this $50,000 was spent in an unsuccessful attempt to provide temporary access roads from the property to Ross river, a tributary of the Pelly river. The road provided was useless for the purposes intended because a temporary road was not completed, and the project appears to have been shelved.

I would therefore suggest to the minister that early consideration be given by his department to the commencement of construction of this vitally important road as soon as possible, as I firmly believe that the Pelly river-Canol road sector has reached this stage. The initial development gamble has been taken by Prospectors Airways Company and Hudson Bay Mining and Smelting Company. Developments of sufficient magnitude as to be classed as ore bodies elsewhere have been found, and it is now up to the federal government to encourage the continuous exploration of this area, as well as other areas, by providing adequate development roads. If advantage of this opportunity is not taken at once while hope runs high in this promising area, new ventures may not develop because of strangling transportation costs. Timing is extremely important in any financial venture, and it is especially pertinent to mine financing.

It might be well to point out at this stage to those not too familiar with mineral exploration that the most difficult money to raise in any development program is the initial expenditure to test a promising geological speculation. A high element of risk is involved, and most financiers want some tangible proof before they enter the picture. If the showing proves to have promise as a mineralized deposit, no lack of development capital exists nowadays to turn the potential into profit.

The arrangement with the federal government on the Canol road promised a maximum of $2,500 a year for maintenance, provided the company expended $2,500 a year. When it is considered that this sum was to provide for the maintenance of 150 miles of gravel road, including 21 timber bridges and 40 culverts, it can be seen how niggardly this assistance is. The Canol road is considered by company geologists and mining companies to be one of the most important mining exploration roads in the Yukon Territory. It not only provides the only eastern access to the large Pelly-MacMillan-Hess river systems, but is the only road that cross-cuts from east to west the large northwest trending mountain belts which contain the most potential mineral and fuel resources in the Yukon.

During the past three years, five important mineral finds have been located at Vangorda creek, Big Salmon lake, Ketza river, Quiet lake and the Northwest Territories-Yukon boundary. It is doubtful if any of those deposits would have been located if it had not been for the access provided by the Canol road. The rehabilitation of this road is a must for the mining development of the eastern Yukon. The indifference of those responsible for the maintenance of this asset is difficult to understand. Here is an invaluable development road built at a cost, I understand, of $30 million, which was presented free to the Canadian people by the American government 11 years ago. As far as is known, no maintenance has been provided by the federal or territorial governments during that time with the exception of the paltry sum I have previously mentioned. For the lack of a few thousand dollars a year spent in upkeep during the period, large sections have been rendered useless to wheeled traffic by water damage to bridges and culverts. Prospectors Airways Company has kept the first 150 miles from the Alaska highway to the Canol road barely passable to wheeled vehicles by the expenditure of approximately $10,000 during the past two years. All this amount was spent on bridges and culverts. The Department of Northern Affairs and National Resources has reimbursed the company for half this sum.

It is reported that a recent estimate was prepared at the instigation of the present Yukon commissioner for the rehabilitation of this section of the road, and the sum of $100,000 was recommended. This and similar sums for its continued maintenance should be a charge on the people of Canada as a whole for the development of their natural resources. It should not be a stop-gap or emergency measure doled out as a sop to this or that mining company. It should form part of a long-range program for the development of the north. It is useless to argue, as has been done in the past, that the road is a territorial responsibility. The territory's meager funds are not sufficient for such work and are urgently needed elsewhere.

The people of the Yukon would like to know why the federal government has refused in the past to recognize the existence of the Canol road, if only to correct the impression that it was a wartime mistake, that it came from nowhere and goes nowhere, and that it should best be officially buried. A quick glance at a map of Canada should convince anyone of the strategic importance of the road as well. It is the only road that connects two of the largest river systems in Canada, namely the Mackenzie and the Yukon. With the accent on northern hemispherical defence it might serve as an important supply line to D.E.W. line stations as well.

I wish to refer for a few minutes to the important matter of the Haines cut-off road. This road was built at the cost of many millions of dollars by the United States during the second world war and was handed over to Canada at the conclusion of hostilities. The road is 159 miles in length and extends

from Haines, Alaska, at tidewater to Haines Junction, Yukon, where it connects with the Alaska highway at mile 1,016. This is a first-class gravel road with the exception of 40 miles on the Alaska side, which is black-topped. The Canadian portion of the highway is maintained in excellent condition for approximately seven months each year by the northwest highway system. This particular road is of vital importance to the future development of certain sections of the Yukon and Alaska.

My understanding is that representations have been made to this government to keep the road open during the winter months. From what I have gathered it is estimated that the cost of capital equipment required to maintain the road in winter months would be approximately $300,000. It seems to be the opinion of those responsible for keeping the road closed during part of the year that it would be difficult to keep it open. To me this seems utter nonsense. Heavy snow conditions along this road actually obtain for a stretch of between 14 and 16 miles only. This portion extends from mile post 40 as far as mile post 56. On the Valdez road in Alaska the snowfall is about twice as heavy as that along the Haines cut-off road, yet no great difficulty has been experienced in keeping open the Valdez road. I have talked with officials in charge of this operation and they feel that, in comparison, the Haines road is a minor snow removal problem.

If the resources of the north are to be developed it is surely the duty of the federal government to employ all possible means to construct and maintain proper road communications. Official thinking here in Ottawa has in the past fallen far short of meeting the real problem. There has not been the necessary vision on the part of officials to grasp the requirements of the situation. I realize there has been some opposition from certain quarters, but it is opposition that is dictated entirely by self-interest. The only way to open up this north country is by competitive routes which will be conducive to development.

I should like to ask the minister now—I am sorry he is not in his seat—why is the government ignoring the wishes of the people whom this important road will serve? Surely both governments can get together to solve this pressing problem by assuming their respective shares of the costs involved. The costs are not large, but the returns eventually will be great, as it will be as much to the advantage of the Yukon as to Alaska.

On this same subject of transportation I want to say something about air freight rates and their application to the Yukon and to the north generally. This age in which we live is the air age, and no country in the world stands to gain as much as Canada from efficient and economical air transport. In Canada no part stands to benefit so much from air transport as the Yukon and Northwest Territories. But what is the actual story? In 1937 Canada was carrying more air cargo than any other nation in the world, and most of this was carried in the north. By 1951, however, Canada accounted for no more than 1 per cent of the world's total volume of airborne freight.

What is the reason for this tremendous decline? In my view the main answer is that air freight rates are prohibitive. As stated in an article appearing in the *Globe and Mail* last year:

> Canada's air cargo is a service designed more for carrying small and precious merchandise like cut flowers, caviar and mink.

We can never hope to fully develop a country by imposing air freight rates that are exorbitant. This fact has been amply demonstrated in other parts of Canada, and in other countries as well. It is evident that what we need is more competition for the available air traffic dollar. We need more men who are air minded, opportunity minded and competition minded.

Canadian Pacific Airlines, I may say, has given good service into the Yukon and is apparently prepared to lower rates between Whitehorse, Mayo and Dawson provided that landing facilities at Mayo and Dawson are improved to provide for the operation of heavier aircraft. By making use of larger aircraft the company reasons that air freight rates into the Yukon can be lowered substantially. In spite of the fact that I have brought this matter to the attention of the appropriate government departments here on many occasions, practically nothing has happened. The present landing fields at Mayo and Dawson are hazardous to use, and only good fortune has prevented the occurrence thus far of a disaster to planes using these fields. Several years ago sites for new airfields were surveyed at Mayo and in the neighbourhood of Dawson, but this represents all the progress that can be reported to date.

I have devoted some time to this matter of air and road transportation. Important as these factors are to the fullest development of the north country I want to emphasize, nevertheless, that there cannot be completely satisfactory results without railways and other improved communications. I have mentioned on various occasions that the ferries along the Whitehorse-Mayo-Dawson road operating over the Yukon river, Pelly river and Stewart

river should be replaced by permanent bridges as soon as possible. The existing ferry services are clearly inadequate and form a distinct bottleneck for traffic along this route.

I am convinced that the construction and maintenance of highways and bridges in the Yukon territory most definitely should be the sole responsibility of the federal government. Heretofore the policy has been that the territorial government, as well as the mining companies, were required to participate in these costs. In my opinion, and the opinion of many others, this was a ridiculous situation. It was nonsense to expect anybody other than the federal government to assume these capital outlays. I am pleased that the minister took cognizance of this fact when the policy relating to highway and bridge construction was recently formulated. This was, most certainly, a step forward in the right direction.

While on the subject of bridges, I trust the minister will give favourable consideration to placing in the estimates a sufficient sum to finance the replacement of the Crooked creek bridge at mile 209 on the Whitehorse-Dawson-Mayo road, so that actual construction can commence this spring or early summer. Surveys and investigations should be instituted at once to determine suitable sites for permanent bridges over the Yukon, Pelly and Stewart rivers along the Whitehorse-Mayo-Dawson road to expedite early construction of these most urgent projects without undue delay. The 60-mile road from Dawson to the Alaska-Yukon border is of the utmost importance to the Dawson district. Can the minister tell me whether or not this road will be constructed according to the same standards as those which apply to the Whitehorse-Dawson road? This road connects with the Taylor highway at the Alaska boundary which highway, in turn, connects with the Alaska highway at Forty Mile, Alaska.

I travelled over this highway last fall and found it to be very scenic. If this road were constructed according to the same standards as the Whitehorse-Mayo-Dawson road I am sure it would attract many tourists to Dawson City, one of the most historic and interesting spots on this continent. This project should receive every consideration from this government, as it is a tourist attraction of the first order.

I also wish to say something, Mr. Speaker, about the Alaska highway. One of the great hazards on this road is the dust problem. This hazard has resulted in a considerable loss of life. The highway is maintained in excellent condition by the northwest highway system at a substantial cost. I believe the time has come now for the immediate black-topping of this road, especially in places where the road does not need to be rerouted. Such action would result in a great increase in road traffic and reduce the cost of maintenance to a point where the government would get a return on its investment.

There is another matter of great economic significance to the mining industry of the Yukon to which I wish to draw the attention of the government, particularly the Minister of Finance and the Minister of Northern Affairs and National Resources. I refer to the unnecessary and unjustified gold export tax in its application to the Placer gold mining industry of the Yukon. This is an imposition that at its present rate fastens a heavy and unfair burden on this important northern industry. At one time, about the turn of the present century, there may have been some sensible basis for imposing such a tax, but conditions since those days have drastically changed. Gold output is down, costs of mining have greatly increased, while the price of gold has remained for years at $35 per ounce in U.S. funds. I am not asking that this tax be abolished. As I pointed out in my remarks to the house on this same subject last June 11, the gold export tax should be reduced in line with the royalty rates obtaining under the Yukon Quartz Mining Act. In this connection I want to bring out the following points:

1. The change in this tax rate that I am proposing should be made will not require any legislative enactment but merely a change in the regulations under the act.

2. If the tax rate is maintained it is liable to result in a serious curtailment of placer gold mining in the Yukon.

3. By bringing the placer gold export tax into line with the levy on quartz mining, the government would be giving practical encouragement to an industry which provides important employment to Canadians in our most northerly communities.

Once again I urge upon the government that remedial action be taken on this matter at the first opportunity.

In conclusion, Mr. Speaker, may I say that if the federal government gives leadership and assistance along the lines I have mentioned the Yukon Territory will offer a vast area of challenge to pioneering enterprise seeking new mining frontiers in Canada. Other and older nations may be ahead of Canada in the matter of population and economic development, but there is one fundamental difference distinguishing their

present position from that of this country. It is that we in Canada still have frontiers to roll back as well as untouched areas to develop. Nothing gives such a dynamic drive to national progress anywhere as the prospect of new land to be opened up to settlement and development.

In Canada our great remaining frontier is in the north. We who are particularly close to the north, who have lived and grown with its people and its problems, are convinced of its wonderful opportunities and of the fact that the Canadian north is a vast storehouse of energy sources and mineral wealth. There can be no finer career for any young Canadian today than to take an active part in the development of our northern territories.

At one time the lure of the north was the special attraction felt by some for faraway and lonely places where life could be lived close to nature, free from many of the problems and distractions connected with living in large centres of population. To some it was an opportunity to get away from it all. That is not so today. In these times the lure of the north is something quite different. It is the lure of discovering new mineral assets in one of the few remaining unexplored areas of the free world. The lure of creating new communications, new communities, of building roads and industries and working cheerfully and constructively with fellow Canadians to bring into being not only a new land but a new way of life is a work that will add immeasurably to Canada's resources and to its greatness as a nation.

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, at the outset I should like to express my sympathy to the hon. members for Edmonton-Strathcona and Gloucester for being confronted with a speech about which so little could be said. It ignores the basic problems of such a large percentage of the Canadian people that it is not easy to understand why we have to be confronted with such a speech in this important year. However, the hon. members were honoured by the Prime Minister in being selected to move and second the address in reply, and I am sure both of them did the very best they could under the circumstances.

I would like to confine my remarks to the problems confronting our farm people in Canada. The Gordon commission preliminary report points up the problem which has been developing for some years, but which has been ignored by the Minister of Agriculture and the Minister of Trade and Commerce in particular. This report indicates that since 1946 our farm population has dropped from 25 per cent of the total population to just over 15 per cent, and the forecast is that during the next 25 years the farm percentage of the population of Canada will drop to 7.6 per cent of the total.

Although I have a farm background, I am prepared to accept the fact that fewer people can produce more food, but I think it is very disturbing that in this day and age, with one billion people in the world who have never had one good meal, it is proposed that we should place a fence around Canada. We will allow in only a trickle of immigrants, and we will refuse to produce additional food for starving people throughout the world.

The commission assumes that the present government is going to continue in office for some time; that there is not likely to be any change in the policies of this government regarding responsibility for hungry people throughout the world. Since there is not to be any change in the policy, it is proposed that we are not going to do anything about the building of the Saskatchewan river dam. The commission suggests there is no point in producing more food if we are not going to dispose of it. Apparently it is not expected that any real effort is going to be made to move Canadian foodstuffs into other countries where people are going hungry, where they are willing to accept Canadian foodstuffs in return for goods which they can supply. Therefore I say it is disturbing that in the year 1957 we apparently have a government that is ignoring the needs of a very large sector of our people, except for the fact that they are going to be starved off our farms and people from the maritimes might get a little help in coming to central areas of Canada. The farmers in the other parts of Canada will just have to stay and starve it out.

We have had a good deal of discussion in this house from time to time regarding the general position of agriculture. The Minister of Agriculture and the Minister of Trade and Commerce have argued that the Canadian farmer is very prosperous. The Minister of Trade and Commerce gives the impression that any farmer who wants to can drive a new car; he can have all his debts paid; he can have a year's supply of grain on his farm without worrying about cash advances. But the opinion of Liberals throughout the country is not unanimous. I notice that the hon. member for Rosthern (Mr. Tucker) was at a convention at Viscount last fall, and the farmers who were at that convention apparently did not accept the point of view of the Minister of Agriculture. The hon. member for Rosthern gave them some pretty foolish advice, as follows:

Walter Tucker, M.P. for Rosthern, who addressed the meeting, said that he believed the resolutions,

to be submitted to the provincial convention in Regina, would prove much more effective if they adhered to established Liberal principles.

But the advice of the hon. member for Rosthern apparently did not have any effect on the people who were there, because immediately they proceeded to pass a resolution asking that an interim payment of at least 10 cents a bushel on the 1955-56 crop be made to the farmers at the earliest possible date. That was last October. It was not in keeping with traditional Liberal policy. Here we are into January, and still no action has been taken. The next resolution was significant:

The convention also urged the federal government to seriously consider adopting and enforcing policies to give the farmers a fair share of the national income.

Well, certainly the farmers out in the Rosthern constituency were not convinced that they were getting a fair share of the national income.

Mr. Blackmore: Will the hon. member permit a question?

Mr. Nicholson: Yes.

Mr. Blackmore: Did they ask for advance payments on the grain stored on the farms?

Mr. Nicholson: No, they just wanted to have an interim payment on the 1955-56 grain crop. This was an interim payment.

Mr. Blackmore: On grain already delivered?

Mr. Nicholson: On grain already delivered; they wanted an interim payment immediately. This was last October. They have not been given a cent. The Minister of Agriculture was at this convention in Regina. Here is a story from the *Star-Phoenix* of November 5, 1956. The heading reads:

Farmers Getting Parity Now, Gardiner Tells Liberal Confab

Canadian farmers are receiving parity prices now, Agriculture Minister James G. Gardiner told delegates to the Saskatchewan Liberal association convention in the hotel Saskatchewan Saturday.

Well, apparently he did not share the views of the farmers out there, but by the time the minister came back to Ottawa to meet the delegates to the federal-provincial convention he must have met a good deal of criticism in the west, because he did change his tune considerably. He told the delegates here about an interesting conversation he had had at a meeting in Saskatchewan. He said a woman came up to him and said:

"I have not slept for three nights, I have been worrying. We did not need a bank loan last year, but we do need one this year."

"I have been worrying about how we were going to meet our accounts which come due in November" and this was the latter part of October. She said "Now I am going to go to sleep tonight and we will get the money in due course." And I said to her "Well, you know some people have been doing some talking about interest. I would not be too sure that you will be able to get the money at 5 per cent." She said "I do not care whether the interest is 5 per cent, 7 per cent or 8 per cent. We need the money for two or three months. By that time we can deliver a little wheat, we will be able to pay it back and whatever we have to pay, we are ready to pay it. It is money we need at present."

Does the minister realize how many people are in the same position as this woman at this time? I submit that when a farm woman says she does not care whether she is required to pay 5 per cent, 7 per cent or 8 per cent she is in the same position as those unfortunate Canadians who go to the small loan companies and pay 26 per cent, 36 per cent or even 56 per cent because they are desperate. The fact that the minister told this important conference that the situation was not as it was some time ago is quite significant. The minister also said:

This desire for cash is one of the greatest desires there is among farmers and the difficulty to get cash is one of the greatest problems particularly among wheat farmers in the west.

Well, I wish the Minister of Agriculture would say those things in the house, and I wish he would say them to the Minister of Trade and Commerce. I would like hon. members to listen to this statement. The Minister of Agriculture said:

I know there was a great deal of criticism of the old plan we had prior to the last war of paying the farmer $5 to take a man and pay a man $5 to take the job, but we did have a plan of that kind at one time, and I think that one of the things that would make young people more anxious to stay on the farm than anything else, would be to do something that would get labour into the farming communities wherever we have to bring it from.

Perhaps the people we are bringing in from Hungary would be considered, as well as people we could bring from the Netherlands and other places. The plan formulated a few years ago by the Minister of Agriculture under which young men and women were recruited to work on farms for $5 a month and the farmers received $5 a month is apparently being considered by him now, but I submit that the farmers of this country do not want charity. They want their industry to receive the consideration it deserves.

When the hon. member for Kamouraska (Mr. Masse) spoke the other evening he had something to say about the opinions that have been expressed outside of the house from time to time concerning the problems confronting agriculture. I recommend that hon. members read his remarks. He pointed out that the position of farmers in Quebec is improving a great deal. In 1954 some 860 farmers in Quebec were able to pay income tax, compared with 750 the year before.

Interestingly enough I intended to use the same statistics, but in a slightly different connection. I am now going to quote from this same book my hon. friend had, entitled "Taxation Statistics—1956". This is published by the Minister of National Revenue and on page 9 you will find that in the year 1954 some 39,480 farmers in Canada paid income tax.

I suggest that hon. members reflect on these figures. Out of a total of 601,622 farm families in Canada, 39,480 paid income tax in 1954. The disturbing feature of this is that the number of farmers who paid income tax dropped from 69,200 the previous year. While our economy is so buoyant that the speech from the throne devoted two paragraphs to describing the prosperity of Canada, this most ancient and important industry has deteriorated to the point that the number of farmers who pay income tax in Canada dropped in one year's time from 69,200 to 39,480.

The percentage of the total income tax paid by the farmers also dropped from 2.06 per cent to 1.05 per cent. The Gordon commission reports that our farm population is dropping; whereas it was formerly 25 per cent of the total, this year it is down to 15 per cent. I do not have the exact figure for 1954, but it would be somewhere between 15 and 20 per cent. I submit there is something radically wrong with an industry when the people engaged in that industry are able to pay only 1.5 per cent of the total income tax of the nation.

I find that the highest paid group in the country were the consulting engineers. The Minister of Trade and Commerce is well acquainted with this classification. The average income for consulting engineers has risen to $12,059, the lawyers are a close second with an average income of $11,925, and the medical doctors are third with an average income of $11,891. For the last two or three years these three groups have been very close. The lawyers come first one year, and then the doctors and then the engineers. Apparently the order in which they occur this year is engineers, lawyers and doctors. The farmer, of course, is away down near the bottom of the list. Even the farmers who were able to pay income tax had an average income of only $3,525. This is based on the figure I mentioned before, the 39,480 farmers who paid income tax.

Let us have a look at the picture across Canada. I am going to use the figures that appear in the book on taxation statistics, and also some figures which the bureau supplied to the agriculture committee last year regarding the number of cars on Canadian farms, according to the 1951 census. In Newfoundland there were less than 100 farmers who were able to pay income tax, and the total number of farmers residing there and owning cars was not reported. In Prince Edward Island less than 100 farmers paid income tax out of a total of 10,243 farmers reported to be living there, and, only 4,100 had cars. I submit that the owning of a car and the ability to pay income tax are two important criteria in determining whether or not people are prosperous, in view of the fact that today you can go to practically any used car lot in Ottawa and for $10 down drive away a reasonably good used car.

Mr. Knight: That is not the end of it.

Mr. Argue: The rest is paid on credit.

Mr. Nicholson: That is not the end of it, but $10 will take it away and the fact is that farmers are so poor they cannot even get the $10 required in order to take it home. That is an indication of their situation.

Mr. Knight: Some dealers might pay them $10 to take the cars home.

Mr. Nicholson: In Nova Scotia 210 farmers paid income tax out of a possible total of 24,000 farmers, and only 6,900 of those farmers owned cars. The farmers in New Brunswick were not paying much income tax a year ago; out of a possible total of 28,000 farmers 210 paid income tax and only 7,900 owned cars. In Quebec, as my hon. friend said, 860 farmers paid income tax out of a possible total of 133,000. How can any farm member from Quebec stand up and say farm conditions are improving when only 860 farmers out of a total of 133,000 paid income tax and only 41,600 cars were on Quebec farms?

In Ontario out of a total of 159,000 farmers only 11,600 paid income tax, and 114,000 Ontario farmers had cars. In Manitoba 2,070 paid income tax out of 47,000, and there were 32,000 who had automobiles. In the province of Saskatchewan there were 12,500 who paid income tax in 1954 compared with 31,000 the previous year out of 90,000, with 62,000 having automobiles. In Alberta 9,650 paid income tax out of 76,216, and 46,000 were driving automobiles. In British Columbia there were 2,120 farmers paying income tax out of 26,530, and there were 12,500 with automobiles.

With one-half of one per cent to 8 per cent of the farmers in Canada in the different provinces able to pay income tax, it is suggested to me that here is an industry which is sick. The only proposal offered is that it be put out of business, to get the farmers off the farms in the maritime

provinces and bring them up to central Canada to increase the hazards there. It is suggested that those provinces with histories of which every Canadian should be proud should be abandoned. Our farming people in the west are up against the same proposition.

The arrears of taxes also indicate what is happening. There are some 14 rural municipalities either partly or entirely within my constituency. The arrears of taxes during the past three years have gone up from $805,000 to $1,308,000 to $1,773,000. These municipalities are managed by very efficient citizens who have been selected by their neighbours on a non-partisan basis. They are doing their very best to maintain local services, roads, bridges and schools, but when arrears are rolling up in this way it is not surprising that a woman should come to the Minister of Agriculture at a meeting and point out that a year ago they were not so desperate but this year they are in very bad shape.

If all the other sectors of our economy were in trouble we might accept this. During the thirties our farm people did tighten their belts. They knew we had a depression, and they accepted the fact that the depression was world-wide. But we are not prepared to accept this situation now and do nothing as the hon. member for Rosthern suggested to farmers at Viscount. We are going to stand up and insist that the farmers at Viscount were expressing the opinions of farmers in all parts of Canada when they said they wanted a fair share of the national income.

The bureau of statistics weekly bulletin of January 11 has just reached me, and I find on page 3 that labour income in Canada has reached new peaks. I am all for that, because I realize that if the farmer is to sell his products there must be a working force in Canada that is able to get a fair share of the national income. As the people in the country through their organizations have been able to get a little larger piece of the national pie I for one have no desire to complain about their position. Although they are getting a larger share than they ever had before they are not getting their fair share.

I have two releases from the united automobile workers, one of which deals with what happens when an increase is granted in the price of steel. When an increase of $7.50 per ton was granted the increase in wages would have warranted an increase of only $2.50 per ton, but the steel companies took advantage of the fact that they were giving an increase in wages. This release states:

When U.S. Steel signed its 1955 wage contract, its prices were already so high that it was making profits one-third larger than in 1953, the best previous year in its history, and 73 per cent above its average profits of the 7 post-war years (excluding 1952, the year of the long strike). U.S. Steel's profits after taxes when it signed the contract were double the average of the post-war years.

It goes on to say that U.S. Steel could have cut their price by $7.50 per ton and still had a better balance sheet than they ever had prior to the war. In its weekly bulletins the bureau of statistics brings us most disturbing information regarding how corporation profits are rolling up larger and larger. Here are the figures with regard to the increase in corporation profits after taxes of some of the better known companies. Back in 1946 Imperial Oil had net profits after taxes of something over $17 million; by 1954 those profits had jumped to $49 million, an increase of 184 per cent. Last year they took another jump of 25 per cent to bring the profits up to $62 million at the end of 1955.

In 1946 the Aluminum Company of Canada were satisfied with profits after taxes of $11,581,000, but those profits had increased to $33,155,000 by 1954, and to $48,193,000 by 1955. British American Oil Company satisfied their stockholders in 1946 with net profits of $3,319,000, but by 1954 those profits were up to $18,159,000 and by 1955 to $20,613,000. Industrial Acceptance Corporation indicates where the real money is being made. In 1946 their profits were $253,542; in 1954 those profits had increased to $6,837,000; and in 1955 to $7,394,000. Loblaw Groceterias showed an increase in profits from $4 million to $5 million.

Canada Packers and Silverwood Dairies, both of which companies are a little closer to the grass roots farmer, showed considerable increases from 1946. MacMillan and Bloedel showed an increase from $12,400,000 to $18,738,000. Western Plywood showed an increase from $473,892 in 1954 to $1,112,000 in 1955; Canadian Industries Limited from $2,041,000 to $6,455,000; Goodyear Tire from $2,476,000 to $4,398,000; Atlas Steel from $226,409 to $2,091,000; Ford Motor from $14,243,000 to $20,729,000; Dominion Foundries, $3,068,000 to $5,471,000; Steel Company of Canada, $13,231,000 to $21,819,000; St. Lawrence Corporation, from $4,451,000 to $7,063,000; Dominion Tar and Chemical from $1,875,000 to $3,802,000; C.P.R. from $29,826,000 to $44,032,000. These last figures are profits in 1954 and 1955, after taxes.

Is it any wonder that our 600,000 farm families in Canada are discouraged and annoyed when they see their position in our

economy deteriorating from year to year, and also see the profits of these larger corporations increasing year by year?

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Nicholson: Mr. Speaker, before dinner I was trying to establish the fact that the farmers, who have comprised such an important sector of our economy since confederation, have been receiving an unfair share of our national income, and I mentioned that from my point of view immediate consideration must be given to this problem. I think I should admit that farmers all over the world have had difficulty in organizing themselves so they could claim a fair share of the wealth in the various countries, but when the Canadian Federation of Agriculture appeared before the banking and commerce committee last year this organization, which is very sympathetic to the present administration, was asked what was being done in other countries. Dr. Hope, their economist, was asked this question by the hon. member for Assiniboia (Mr. Argue):

> In your study of agricultural policy in other nations do you know of any advanced nations which do less in the way of support prices and other policies for agriculture than is done by our country?

Dr. Hope replied:

> No, I do not know of any country that does less.

When I spoke about conditions in other countries last year I made some critical remarks about the Department of Agriculture and the Department of Trade and Commerce for their failure to make available up to date information regarding what is happening in other countries. I must pay a compliment to the Minister of Agriculture for seeing to it that his officials paid some attention to my critical comments. The issue for December, 1956, of *Agriculture Abroad* has some very interesting articles on agricultural policy in Argentina, Egypt, France, Germany, Mexico, Poland and a number of other countries.

I am sorry that time will not allow extensive references to what is happening in other countries, but in Argentina apparently they are providing for a subsidy of about 36 cents per bushel for wheat. In France they are facing up to the problem of the small farmer being squeezed out of existence. There is a very interesting section on France. It points out that they made a profit of about 78 cents a bushel on wheat imported into France compared with a loss of $1.40 to $1.48 sustained by France a year ago. They also point out that the price for wheat in France this year is to be $2.93 a bushel. Then there is a substantial subsidy for barley of 43 to 49 cents a bushel. I think anyone reading the reports on agriculture in these different countries must recognize the fact that our farmers cannot possibly survive in a world where all these important countries are doing so much for their farmers.

I have here the soil bank program of the United States, and I find that on a typical 200 acre farm there—their farms are much smaller—the farmer is encouraged to take 30 acres of land out of wheat, and if he will co-operate he will be paid $23 an acre for every acre he does not plant to wheat. I know a great many farmers in the west who would be very glad to settle for $23 an acre for every acre they did not plant to wheat. The United States supplies information regarding the decreasing share of the consumer dollar that the farmer receives. Back in 1946 the farmer received 52 per cent of the consumer dollar spent for food. That figure dropped to 51 per cent, 50 per cent, 46 per cent, until now it is down to 45 per cent. But in the United States, as in Canada, I think it is pretty obvious that the farmers themselves are going to have a look at the diminishing share of the national income that is received.

I do not want to make these critical comments without telling the government how to solve the problem, and here is the solution in seven very simple stages. First, a system of parity prices should be provided. I cannot take time to explain the details, but I think every member has received from Jake Schultz a memorandum entitled "Parity Prices, The Basic Solution for Agriculture." Mr. Schultz is a former president of the interprovincial farm union council. I suggest that every member should read this very carefully prepared submission.

Second, national marketing boards should be established to provide stability in the assembling, processing and marketing of our main agricultural products. Third, a board of livestock commissioners should be established to provide scientific grading standards and to prevent the ruinous fluctuations in livestock prices. Fourth, export-import boards should be established to expand the sale of agricultural products through international commodity agreements. Fifth, a system of box car allocation should be provided so that farmers would be permitted to deliver their grain to the elevator of their choice.

May I say in passing that while I was home we received cheques from the wheat pool at

the rate of 2½ cents a bushel by way of dividends for the wheat we had delivered to our own organization. At the annual meeting of the local wheat pool committee I asked the director how much additional could have been paid to the farmers if they had handled their fair share of all the wheat that was drawn to the elevators in Saskatchewan. After a minute's reflection he said they would have had the same cost for taxes, the same salaries for the elevator agents and the same payments for insurance, so their overhead would have remained about the same, and that they would have been able to pay about 5 cents per bushel if they could have handled all the grain which normally would have come to their elevators provided the farmers had been able to deliver their grain to their own elevator rather than to the elevator of the opposition. I think anyone who considers the matter will agree that it is reasonable to give the farmer the privilege of hauling his own grain to the elevator of his choice.

My sixth point is very important and I am sorry I do not have time to develop it. I suggest that we should double the pensions for the aged, blind and totally disabled and also the family allowances, so more Canadians would be able to purchase additional food, food which we have and which they require if they are to live as they should live. I hope every member of parliament will read the letter which came in the mail this morning from Mr. Guy Jean of Montreal, who represents the institute of political action. He was prompted to write this letter after a member for one of the Quebec ridings suggested in his speech the other day that family allowances should be increased.

I think we should not forget that the prime minister we had when family allowances were introduced was a bachelor who had no idea of the cost of raising a family. He was also the prime minister when we had long discussions about increasing old age pensions. I think in this day and age, the fact having been established that family allowances are politically popular and economically feasible, we should be prepared to give to the children of Canada the same percentage of our total national income in 1957 that we did in the '40's when we first passed this popular legislation. As the hon. member for Winnipeg North Centre mentioned the other day, if we will provide the same percentage of our gross national product to the old age pensioners we will be able to double, without any strain on our economy, the present pensions which are being paid.

My seventh point calls for the establishment of a world food bank with a view to raising the low levels of food production and consumption and fighting chronic malnutrition; relieving famine and other emergency situations; counteracting excessive price fluctuations, and promoting the rational disposal of intermittent agricultural surpluses.

I am sorry I have not time in which to develop this last point. I was greatly disappointed to read in the report of the economic and social council of the United Nations that the parliamentary assistant to the Secretary of State for External Affairs took such a reactionary view when this matter was before the economic and social council. We have been spending fabulous amounts in trying to fight the threat of communism. The amount we are spending for FAO is a pitiful performance. I find that we are reducing our expenditures from $323,000 to $297,000. We are giving 2 cents per person per year as part of our contribution to fight the challenge contained in the fact that two-thirds of the world's people are facing starvation, and here the parliamentary assistant makes a long speech pointing out how unreasonable are these proposals made by FAO in connection with the establishment of a world food bank.

I submit that it is not good enough for us to spend $34 million as our contribution to the Colombo plan and 2 cents per person per year as our contribution to FAO when we are spending these other large amounts. The Minister of Trade and Commerce and of Defence Production is buying on a cost-plus basis everything that goes into our defence production, and no one is losing anything. Yet he is trying to keep our farmers producing food on a cost-minus basis. I think we are losing friends all over the world by our policy of refusing to cultivate our land and refusing to produce food in order to try to get it to the hungry people in other parts of the world.

It is true enough that we give 2 cents per person per year to FAO and that we spend $34 million as part of our Colombo plan contribution. But the Colombo plan contribution is a small percentage of Canada's gross national product. I do not think we can adopt the point of view suggested in the report of the Gordon commission, namely that the people of Canada can expect to increase their standards of living by 75 per cent in the next 25 years, and yet refuse to face the fact that two-thirds of the world's people are going to be left in poverty and are going to be obliged to live without assistance in fighting ignorance, disease and hunger.

I suggest that Canada should reverse its program and should send to these international conferences someone other than representatives who are going to speak against the establishment of a world food bank.

(*Translation*):

Mr. Raoul Poulin (Beauce): Mr. Speaker, it gives me great pleasure to join the previous speakers in extending sincere congratulations to the mover (Mr. Hanna) and the seconder (Mr. Robichaud) of the address in reply to the speech from the throne. There is no doubt, at least as far as I am concerned, that the respective electors of these hon. members will have every reason to be proud of their representatives.

The speech from the throne deals with many subjects which are all interesting. There is one however which seems to be of prime importance in the eyes of the government since nearly half of that important document has been devoted to it. I refer to the position of Canada with respect to world conditions.

Since I wish to limit my remarks to a single question, for the time being at least, I thought I would deal with a question related to that problem and which I consider very important. I mean the eventual representation of Canada at the Holy See in Rome.

Besides, for a good many years a great number of the electors I have the pleasure and the privilege of representing in this house have been good enough to let me know their views on that subject. Now it so happens that all were in favour of such representation. It is indeed a pleasure for me to lay their views before this house.

I do not think that there is one Canadian province where certain individuals, certain patriotic, religious or other groups have not expressed a similar opinion. On the other hand, I know that in those same provinces other individuals and other similar groups have expressed an opposite view. Which means of course that we have there a much debated and debatable problem whose solution is not self-evident but must be looked for in a cool and objective way, according to the best interests of the Canadian nation.

In foreign countries, Canada maintains 46 diplomatic posts filled either by an ambassador, a minister or a high commissioner, together with a great number of consuls, attachés, commercial representatives, various officers, and so on. For the year 1956-57, according to the estimates voted in this house last year, the cost of maintaining these posts, alone, including salaries, amounted to $7,210,961.

On the other hand, 46 foreign countries maintain here a similar diplomatic representation whose cost is likely just as high. These figures, reporting the number of countries as well as the expenses, give us an idea of the importance attached by various states, Canada included, to their diplomatic representation.

Besides, especially in recent years our policy, domestic as well as foreign, is established with due regard for the international situation. It is no doubt with this in mind that the Canadian government, besides maintaining permanent diplomatic representatives, very often sends itinerant diplomats, in most cases a member of the cabinet, to some remote corner of the world. It thus once again emphasizes the importance of going abroad to gather useful information, to make known what we believe should be known and also no doubt to disguise what we want to keep to ourselves.

There are in the world posts of superior strategic value where information of vital importance is concentrated or which constitute a source of such information. Such posts are just as so many cross-roads where the diplomats of almost every country come into contact. It so happens that one of these posts is in the Vatican state of Rome. Here are some facts and figures which show the importance of this post. The Holy See sends diplomatic representatives to 41 countries among which are France, Germany, India, Italy and Spain, plus several apostolic delegates of which one is here, in Canada.

On the other hand there are in the Vatican state 45 diplomatic missions among which are to be found missions from some of the greatest countries in the world such as Great Britain, France, Germany, India and Spain. Certain countries which do not even deem it necessary to send representatives to Canada have representatives to the Holy See. And even the most powerful of all countries, the United States had personal representatives under three successive presidents, who felt this to be a most pressing need after diplomatic relations had been severed with the Vatican state.

Still Canada has not as yet thought it necessary to have its own representative in this world centre of a diplomacy of the highest standards.

I hope that no one will suggest that we cannot have a diplomatic representative there because the Pope happens to be the religious head of the church. In that case we could hardly maintain diplomatic representation in the United Kingdom where the supreme head of the nation is also the supreme head of the

established church. In any event, no impartial person has ever suggested that the Pope, even when he was unjustly dispossessed, has not always been and still is not the uncontested sovereign of a temporal state, small of course, but quite real and which has its own autonomous and sovereign government. It is precisely because this state is very small in area and because its leader has no territorial ambition whatever that the other states should feel reassured with regard to the objectivity of the information they may gather there as well as to the impartiality and independence with which would be greeted suggestions or proposals they might wish to submit. We are thus protected against certain interested manœuvres which may have been quite common in the Middle Ages or during the Renaissance, when the popes not only had to manage the church but also had the duty, like the leaders of other states of that time, to protect and defend the temporal kingdom committed to their care.

Furthermore, if it is feared in some quarters, that if we have a representative at the Vatican, we must share the religious belief of the Holy Father, does it mean that we necessarily share the beliefs of the leaders of communist countries where we do have representatives? Why then the double standard? A narrow, inconsiderate one with regard to a sovereign who, beyond any doubt, wants peace and order in the world, and a generous and broad-minded one in dealing with the leaders of countries, which, no less surely, for they themselves say it and prove it—want trouble, discord, and misery in the world, the better to establish their barbaric domination and their godless materialism, destructive of the freedom and happiness of peoples.

Thirty-two of our 46 missions abroad are headed by ambassadors, two of them being in iron curtain countries, i.e., in the U.S.S.R. and Yugoslavia. We have also ministers in two other communist countries, Poland and Czechoslovakia. Until last year, we maintained for years an embassy in the Argentine, while the president of that country was trying hard, and sometimes by ignoble means, to foil the legitimate religious or national aspirations of the Argentine people.

To follow through a comparison between the leaders of those countries I just mentioned and the admirable man who is now presiding over the destinies of Vatican City, would be an insult to the intelligence of honourable members, and I do not want to press it any further.

It might be enough to say that Canada should not be deprived of the great advantage of having a representative in such a highly accredited place. In support of this case, I shall quote the views of a member of this house who was then an ordinary representative—though, please the Lord, he was far from ordinary—and who is now a minister in the present government. Moreover, he is a man of superior intellect, in whom the government had the greatest confidence and who is therefore often entrusted with most delicate missions abroad. I mean the honourable minister of Fisheries (Mr. Sinclair) and shall to this effect, quote an issue of *The Ensign* published in 1950.

(*Text*):

Canada is losing information by not having a diplomatic representative at the Vatican, says James Sinclair, parliamentary assistant to Finance Minister Abbott and Liberal member of parliament for Coast-Capilano, B.C. Mr. Sinclair expressed his views in a letter of support to a Catholic Women's League subdivision in Vancouver and to various Protestant groups who oppose the appointment.

Following is the text of Mr. Sinclair's letter:

The Catholic church is fighting communism wherever it exists, and it has no hesitation in accrediting representatives to even the communist governments, so that they may have all possible information. I met the Vatican's representative in Yugoslavia, and learned more from him about the country than I did from any other diplomatic representative in Belgrade.

This, and other experiences, have led me to the belief that Canada is losing information by not having a diplomatic representative at the Vatican. Almost every European nation, Protestant and Catholic, has such representation.

In Canada, where we are comparatively new to the necessity for diplomatic representation, the problem has been discussed almost entirely on religious grounds, and if an appointment were made at this present time, a large proportion of our people would regard it as a religious appointment, and so be strongly opposed to it. Public discussion of this situation, however, will bring about a better understanding, which might eventually lead us to have a representation in the Vatican, as does Protestant England.

(*Translation*):

If the minister has changed his mind, I have no doubt that he will want to inform the house about it.

For those who closely follow international events, there is no doubt that the last three or four sovereigns of the Vatican were diplomats of a high order, dedicated to the welfare and happiness of peoples, irrespective of their religious beliefs. It should be noted those great leaders, fearless and blameless, have on many occasions condemned false or dangerous principles and denounced unjust or nefarious attitudes while carefully avoiding to direct their attacks against the countries or their leaders in particular.

What about the special qualities of the great statesman who, for the past 18 years, has been presiding over the destinies of that

city? Severe and demanding when he, himself, is concerned, he is full of compassion and indulgence for others. Placed on neutral ground between two clans of opposite ideological concepts, he does not fear from time to time to raise his serene voice to tell the ones that atheism, under whatever form it appears, is a baneful doctrine for humanity and, to the others, that there can be no compromise with evil. In these troubled times, how gratifying it would be, not only to listen to that voice from the centre of St. Peter square, but also to hear its repercussions in the very sumptuous halls of NATO and UNO. To the list of the most influential statesmen of the world which the Prime Minister gave us in this house last Wednesday, the 9th of January, I would gladly add the name of His Holiness, Pope Pius XII, and I would even place it at the head of the list. One cannot help but have a deep feeling of admiration on reading the speech made by Pope Pius XII in September, 1954, on the problem of A.B.C. warfare, as well as his Christmas speech of 1955 on peace, not to mention the one he made last Christmas. Where, anywhere in the world, could one find a more enlightened, more objective, more sincere and disinterested propagandist? I can understand how, on March 1, 1955, the Ottawa *Journal* could write the following in its editorial page:

(*Text*):

A Great Pope

Tomorrow in Rome Eugenio Pacelli, Pius XII, will observe his 79th birthday and his 16th year as Pope.

The whole free world, all at any rate in the tradition of Christian-Judaeo civilization, will send congratulations.

For Pius XII has been more than a great Pontiff of Rome; his character and moral and intellectual leadership have undoubtedly influenced all areas of the earth where spiritual values remain.

There are those who hold that Pope Pius has been the greatest Roman Pontiff since Gregory the Great. Certainly no other pope since the year when Leo went out to meet Atilla has faced more difficulties courageously, and none won more respect from men of different faiths.

"The Pope—how many divisions has he"? asked Stalin. Yet Stalin was to learn that spiritual and moral forces exist mightier in the long run than divisions of steel.

(*Translation*):

I cannot refrain from mentioning here a news item published in *Le Devoir* of March 12, 1956, reporting a statement by senator Barkley, former vice-president of the United States, who had this to say about His Holiness Pope Pius XII:

I do not believe that there has been a greater force working for peace and democracy in the world than he has been.

Such testimonies tell us why the majority of the great statesmen of the world are proud and honoured to visit him and seek his advice.

Indeed I have collected at random, in newspapers, a few pictures showing statesmen who seem proud and happy to have been photographed with our Holy Father the Pope on the occasion of a visit at the Vatican. For example, in the Montreal *Gazette* of April 11, 1956, there is a picture of none other than the secretary general of the United Nations Mr. Dag Hammarskjold, who is photographed with His Holiness Pope Pius XII. The legend read as follows:

(*Text*):

United Nations Secretary General Dag Hammarskjold visits Pope Pius XII at the Vatican during the diplomat's Rome stopover on the way to seek a peaceful settlement of Middle East hostilities. The Pontiff gave his blessing to Hammarskjold's mission complicated by renewed Israel-Arab border fighting.

(*Translation*):

And at the bottom of another photograph reproduced in *Le Droit* of October 4, 1956, I read the following:

Received by the Holy Father: Senator Wishart McLea Robertson, Speaker of the Senate of Canada, and Mrs. Robertson, have been received on September 25, in a private audience granted by His Holiness Pope Pius XII, at his pontifical villa of Castelgandolfo.

Opinions have been expressed to the effect that the diplomatic channels that we are now using in our relations with the Vatican, that is the British embassy of Whitehall, were suitable and sufficient. Why should we proceed in such a way? Are we not a full grown nation since the statute of Westminster? Why allow a country which is our equal and our competitor in many fields, to look after our affairs while our prestige and our interests are at stake? If such a procedure is advisable in the case of the Vatican, it should also be proper in relation to the other countries. Let us then do away with our embassies, let us stop sending our ministers around the world, and let us limit their trips to visits to the British Isles.

Would it be a matter of money? If so, we certainly should remember that there are moral and spiritual values for which we are never paying too high a price, because they are priceless.

Then, Mr. Speaker, I would like the Anglo Protestant element of our population to realize, once and for all, that if the reiterated request for a representative of Canada to the Vatican is coming mainly from the Catholic and French province this does not mean that this province wants absolutely this representative to be a Catholic French Canadian.

We understand very well that this diplomat would represent Canada as a whole, as a country, and I would have no objection to his being either from French or English extraction, either Catholic or Protestant. He would only have to be a worthy citizen, well qualified, of irreproachable public character, and he should be able to do credit to our beautiful and great country, and to serve it well.

I would not like to conclude these few remarks without mentioning a matter, on which I have come back every year since I have had the advantage to sit in this house, I mean the raising of family allowances.

It would probably be appropriate to recall first of all that family allowances are and must remain an addition to family income. As a matter of fact, I believe this was the spirit of the legislation when it was voted in 1944. Nevertheless, this additional contribution was considered a minimum at that time, we are admittedly today far from this minimum, since to all practical purposes, the value of the dollar is scarcely more than half of what it was twelve years ago. My colleague for Lapointe (Mr. Girard) yesterday rightly called to our mind the essential part played by the family in the community.

On more than one occasion, in this house and elsewhere, I have attempted to establish the truth of the old saying "a community is only as good as the families in it". And if it is true that an individual needs to have a minimum of earthly goods to practise virtue, it is equally true that a family needs a minimum of revenue and adequate material conditions, for it is the source from which the individual must draw during the most important years of his life. The individual will never be but what his family made him.

I know that strong pressures are exerted in order that all social allowances be increased. It seems to me however that the case of families is more tragic and more urgent than all others. Indeed, if in the case of other assisted people difficulties due to the increase in the cost of living have increased twofold, these difficulties have been multiplied by 4, 6, 8 and even 10 on account of the number of children.

That is why it is most urgent to increase the rate of assistance in this field first, and to find out later what can be done in the other fields.

I urge therefore the hon. minister of National Health and Welfare and the government, to restore, during this session, the original value of this excellent social measure that was adopted in 1944, by doubling, or by increasing substantially the rate of family allowances.

(*Text*):

Mr. Hayden Stanton (Leeds): Mr. Speaker, first let me congratulate the mover, the hon. member for Edmonton-Strathcona (Mr. Hanna), and the seconder, the hon. member for Gloucester (Mr. Robichaud), on their excellent addresses made in reply to the speech from the throne. They certainly did a splendid job considering what they had to work with. I took particular notice of and listened very attentively to the remarks made by the hon. member for Edmonton-Strathcona. He gave an extremely vivid account of the growth of the city of Edmonton, and he may well be proud of the constituency he has the honour to represent. I believe it is one of the fastest growing cities in Canada, if not the fastest growing. Not only is it surrounded by a multitude of oil wells but it serves as a springboard for travel both by road and air to the far north.

I hope I am not yet too ancient, Mr. Speaker, but I can well remember visiting Edmonton with my parents in 1909. At that time Edmonton and Strathcona were separate towns and there were only two high level bridges crossing the river. One was the C.P.R. bridge and the other was for vehicles. Most crossings at that time were made by ferries pulled with a chain. I say again the hon. member for Edmonton-Strathcona can be justifiably proud of representing a riding which is an example for other Canadian cities to emulate.

I wish to express at this time how surprised and deeply grieved I was when informed of the resignation of Hon. George Drew, leader of the great national Conservative party. I am sure the contributions he has made here will be greatly missed, and the House of Commons will be the poorer for his absence. When we look back and realize the number of our colleagues in this house who have passed on in the not too distant past we are reminded again of the intense strain of public life.

Perhaps nothing could be more illustrative of this than the recent resignation of Sir Anthony Eden. Though criticized by many people in the past in his own country of Great Britain and within his own party, Sir Anthony has proven from time to time that he was right; and I believe when history is written the historians will agree that he was again right in regard to the Middle East. Perhaps it will not be long until the people of the free world will be slapping Sir Anthony on the back for the action he took in regard to the Suez crisis.

Casting aside our personal thoughts or feelings, I think we must all admit that the action taken by the British and French governments in the Middle East has awakened the United Nations from a talking assembly, which no doubt it would have continued to be, to an active body truly representative of the free world. Too often in the past its members have sat idly by while the Russian communist regime spread its propaganda and influence all across the Middle East.

I am indeed happy, Mr. Speaker, to have as my leader at this time John Diefenbaker, a man who is internationally as well as nationally known, a man who enjoys the respect of nearly all the people of Canada, a man who has contributed much to the debates in this house and who will, I am sure, contribute much to government policy in future years, and I trust those years will extend far into the future.

This has been a very quiet session so far; indeed, how could it be otherwise? If you examine the throne speech mathematically it is obvious that nothing from nothing leaves nothing. It tells nothing of the past, offers no suggestions for the present and holds nothing for the future. Because the throne speech is so vague it is necessary for most hon. members to speak concerning the constituencies they represent, and I propose to do the same.

I am proud to be the representative of that grand old constituency of Leeds. On the south it is bounded by the great waterway of the St. Lawrence river, and contains within its boundaries all the Thousand islands. On the west and north it is bounded by the Rideau waterway. During the past summer I visited the St. Lawrence seaway development. It is tremendous in magnitude and the engineering skill involved is most wonderful, but I would like tonight to take the minds of my listeners back to the time when the Rideau waterway was constructed, between 1827 and 1832.

I believe it was a much more difficult task to construct the Rideau waterway than to build the St. Lawrence seaway. We must realize that the waterway was built by Colonel By through absolute wilderness. No means of communication of any kind had been established, and the project was completed in the unbelievably short period of six years. It was 123 miles in length and consisted of 47 locks. It may surprise some hon. members to know that this waterway cost only $2,500,000. This amount would barely cover the construction at Jones Falls today. Jones Falls is in my own constituency, and there is a dam there which is 60 feet high. How was it constructed? They did not have derricks nor cranes. Those stones were put in place by hand labour. The canal was dug and constructed not with the modern steam shovels we have today, not with the huge tractor trailers that are now available, but by manual labour employing the wheelbarrow and the ox.

I speak of the Rideau waterway because approximately half its total length of 123 miles is in my constituency. I notice according to *Hansard* that some years ago certain hon. members of this house, who I am sure were not from eastern Ontario, seemed to be of the opinion that the Rideau canal should be discontinued. What a foolish idea. I may say that there are 53 lakes connected by the Rideau waterway located in the counties of Frontenac, Leeds and Lanark. This is a tremendous tourist attraction. You may talk about the Rocky mountains, Jasper park and so on, but I say to hon. members they should come down to Leeds county and they will see something practically as good for tired eyes to look at.

At this time I should like to deal with some of the problems we are facing in Brockville, my county town. During the past 15 years the population of Brockville has increased by 50 per cent. I feel that we are entitled to more consideration from the federal government, because we have had very little in past years. The population is 15,000 at the present time, with another 3,000 in the adjoining township which is in the process of being annexed. Yet we have a railway station which is not adequate in any sense for a town of that size.

The industrial development of the area is increasing by leaps and bounds. Parke Davis opened a large plant in the north of the city; Automatic Electric have increased their plant; Phillips Electric have increased their plant materially; Du Pont to the east have spent several millions of dollars and are planning another project which will cost in the neighbourhood of $8 million or $9 million. Surely we are entitled to more consideration.

Our post office is outdated, and federal offices are scattered all over the town. The excuse of the government for not starting and completing a federal building is that they want to wait until the town has been rezoned so they will know where to place the building. I may tell the house and the Minister of Public Works—I am sorry he is not in his seat—that the city has been rezoned, which rezoning has been approved by the municipal board. The city fathers are ready to cooperate with the government and the Department of Public Works. I am sure their representative would be welcomed by the

city council if he came down to lay out the work. I hope the minister will provide for this building in his estimates this session. Let us get on with the job. There is no excuse now that the city has been rezoned. Everything is in readiness for a start on the building.

I should like to say a few words in regard to our veterans. I listened to what the hon. member for Lanark had to say about some of these veterans. I believe he is right, as this is something which has been advocated by branches of the Legion across this country. I agree with the submission that no veteran who served in Great Britain in the first world war for a year or more should be refused the same consideration as those who served in a theatre of war. It was through no fault of their own that these men did not see active service. They were held in Great Britain for other purposes. Their intentions when they enlisted were good, and they should receive the same consideration as other veterans.

I should like also to bring up the question of veterans who have received aid under the Veterans' Land Act. There are very few of these veterans left. Some of these men have been paying on their mortgages for many years but have been unable to pay them off because of sickness and misfortune. Many of these men are in their late sixties or early seventies and, as I say, there are only a few of them left. Surely the department could now give them a clean sheet, a clear deed to their property, so that in the sunset of their lives they may live in peace without having this debt staring them in the face. Surely they have earned that consideration.

As far as old age pensions are concerned, it would appear that many government supporters are advocating an increase this session. If $40 a month is enough at the present time, then $40 a month was too much when the act was first put into force. If $40 was enough then, it is inadequate at the present time with the increased cost of living. Now that an increase has been advocated by many Liberal members I would not be surprised—I believe my colleagues agree with me—if the minister brought down an increase in old age security payments, this being an election year.

Then a word with regard to pensions for the blind. I know we all have sympathy for these people. Because of their blindness it costs these people more to live than it costs the average man or woman. I submit that they should have more consideration from the minister. They should be allowed to earn what they can without it interfering in any way with the small pensions they are receiving.

As for health insurance, we all know the stand this party takes on that. The Liberal party took their stand in 1919, and they have taken their stand again in every election since that time. Apparently after the election this matter goes unheeded. It would appear that the only way the people of Canada can receive any consideration in the matter of health insurance is to have a change of government.

As my constituency is 50 per cent rural I would be remiss in my duty if I did not take up this evening some of the problems that confront our farmers at the present time. We hear a great deal from members to our left concerning the problems of the west with respect to wheat, but I can assure the house that we have problems in the east. When the committee on agriculture met last session I was dismayed that the request of the concentrated milk producers to put their case before that committee was refused. The chairman of the committee said the terms of reference of the committee did not permit them to present their brief. The hon. member for Brant-Haldimand and I argued very strenuously that they should be permitted to present their brief on that occasion, but we were overruled. I know that some of the Liberal members who represent agricultural constituencies felt very keenly about the matter, but apparently because the problems of the concentrated milk producers did not pertain to wheat they were barred from entering the committee room.

There was an announcement in the speech from the throne of the setting up of a Senate committee to study the benefits that would be derived from an extension of the Prairie Farm Rehabilitation Act to include all Canada, so the residents of many submarginal farms might be moved to better locations where their incomes could be much increased. All I can say about the dairy farmers of eastern Ontario is that they are nearly all submarginal as far as their net income is concerned.

I have noticed that the Minister of Agriculture, together with many of his colleagues, has persistently said that the income of farmers has increased, but you never hear him say a word about net income. He never says a word about expenditure increasing much faster than the prices of the products that are produced. In fact the prices of the products produced have decreased very much since 1951 and 1952. During the war our farmers accepted the government's statements in good faith when they told the farmers to go easy, not to say a word then, to take what was offered them and the government would be good to them after the war. The farmers

of eastern Canada know just how good the government has been when it has allowed dairy products to come into our markets from New Zealand, and have not protected us from the actions of the United States.

You know, Mr. Speaker, our good friends to the south do not hesitate to impose tariffs, quotas and what have you when there is an overabundance of agricultural products in that country. But no, we must be friendly; we must be good children. We must accept everything they do and not make any reply whatsoever. I can tell you that our farmers are getting tired of the situation and fed up with the prices they are receiving at the present time. They are not being asked to move off their farms to better farms. In fact there are many 100, 200 and 300 acre farms in my own constituency at the present time, hundreds of them, where the land is lying idle. Why? Because many of these farmers can obtain higher remuneration by working in industrial plants. Many of them are getting too old to carry on their agricultural activities any longer, and with the present level of prices they cannot ask their sons to stay at home.

In my county, which traditionally has been a cheese producing district for many years, production decreased in 1955 by nearly 1 million pounds. Some may say that perhaps the milk has gone into other channels but that is not so, because one of our concentrated milk plants which enjoyed a patronage of around 800 a short time ago is now down to less than 500 patrons. Why? Simply because farms are idle. Most of the farmers are living on these farms because it would take all they would receive for their farms, machinery and cattle to buy a house in a town or city.

I was much impressed by the remarks of the hon. member for Victoria-Carleton when he spoke about the farm loan act. When that act was amended last year we were all hopeful that it would be easier for farmers and prospective buyers of farms to obtain more money on farm mortgages. I can assure you that it is hard for a farmer to borrow more money on a farm mortgage at the present time. Money which was formerly available to farmers by way of loans has completely dried up. Thirty or forty years ago people were looking for places to invest their money. That is not so today.

I cannot understand how it is that any person working in an industry, any civil servant or what have you, who is receiving a fair income, can borrow money on a home to the extent of 90 per cent of its appraised value while the farmer can only borrow up to 65 per cent, and even at that it seems to have been difficult for the farmer to do so during the past year. I have instances in my own constituency, just as the hon. member for Victoria-Carleton has in his, in which loans on farms I knew were well worth far more than the appraised value were turned down by the farm loan board. Why I do not know.

The excuse has been offered to me that their revenue was not high enough. In some instances the money that farmers in my constituency were seeking was simply for the purpose of making their farms more remunerative. If the farm loan board officials and the government consider that a man working in industry with his two hands and who has no capital investment is a security risk much superior to the man with a farm worth $10,000 or $15,000 and having another $10,000 worth of cattle and equipment, there is something wrong and it is high time the government did something about it.

I am not going to take too long this evening, but during his speech the hon. member for Macleod made some prophecies regarding the Conservative party west of the great lakes. He made the prophecy that the Conservative party would come back after the next election with fewer members west of the great lakes than they have at the present time. With your indulgence, Mr. Speaker, I should like to make a few prophecies, and I do not believe that I will have to go too far out on the limb in doing so. I prophesy that the Social Credit party will not elect a member east of the Manitoba border, and that nearly all their candidates will lose their deposits. I will also make a prophecy that they will not elect a member east of the Alberta border. I am not saying that they will not do so west of that border, but I am sure their representation there will be decreased.

I should like to draw the attention of hon. members of this house to the constituency of Prince Albert. Sir Wilfrid Laurier represented that famed constituency in the year 1896. Right Hon. Mackenzie King represented it in the years 1926, 1930, 1935 and 1940.

Mr. Ellis: And he was beaten by the C.C.F. in 1945.

Mr. Stanton: I will make one more prediction and it is this. The good people of the constituency of Prince Albert will have a third prime minister of Canada as their representative after the next election.

(*Translation*):

Mr. Guy Rouleau (Dollard): Mr. Speaker, it is with pleasure that I associate myself with the previous speakers in congratulating

the mover and the seconder of the address in reply. The honourable members for Edmonton-Strathcona (Mr. Hanna) and for Gloucester (Mr. Robichaud) made excellent speeches which justify the honour bestowed upon them by the Prime Minister and the members of the cabinet.

Then too, I should feel remiss if, at the beginning of my remarks, I failed to congratulate the new leader of the opposition, the hon. member for Prince Albert (Mr. Diefenbaker), for the confidence shown in him by the members and supporters of his party, and by reason of which he now bears the heavy responsibility of leading the forces of the official opposition in this house.

Under our parliamentary system we are allowed to disagree on the means of achieving the greatness of our country and the welfare of our fellow citizens. However the relations I have had with my colleagues in this house ever since I have come to it have been such as to convince me that each and everyone of us here, of whatever political persuasion he may be, is resolved to work towards the greatness of this country and to discharge his responsibilities to the best of his ability.

I would also like to avail myself of this opportunity, at the beginning of the new year, to offer my best wishes to all my colleagues and to the people of the constituency of Dollard, whom I have the honour to represent.

A great many of the opposition speakers who have spoken before me have stated that the speech from the throne read by His Excellency the Governor General of Canada at the opening of the session contained nothing or almost nothing. I cannot but think, when I hear that statement, that there are none so deaf as those who do not want to hear and none so blind as those who do not want to see. For my part, I have heard the speech from the throne in the other house and, later on, I took the trouble of reading it very carefully. I do not hesitate to say that this speech was very rich in proposals of national interest and that when its contents have been adopted by this house, it will promote an ever greater well-being for the population of Canada, ensure the maintenance of our economic and cultural development and be highly beneficial to the population which we represent. At the very beginning of the speech from the throne, we find that the government is eager to maintain the basic unity of the commonwealth and the reality of the western alliance. The Prime Minister, as well as the members of his cabinet, have proven and still prove to us that these words are not empty words. The close ties which link the Prime Minister to the prime ministers of the other member nations of the commonwealth, and the visits which have been exchanged during the last few years, and more particularly the last few weeks, when the prime minister of India came here to meet the Prime Minister of our country, prove this fact beyond the shadow of a doubt. While in certain cases they may have slight differences of opinion, they all agree on the goal which must be pursued by the association within the commonwealth. That goal is to safeguard the freedom of people, as well as the economic freedom of the member countries of the commonwealth.

The commonwealth association is made up of nations which are free, which enjoy full sovereignty, but have decided from their own free will, to unite in pursuing the goal I have just mentioned. The tour of Asia which the minister of National Health and Welfare (Mr. Martin) has just accomplished, is further evidence of the view I just stated, and I take this opportunity to offer hearty congratulations to the Minister of National Health and Welfare for having been such a good ambassador for our country, as well as an agent of peace and freedom for the commonwealth partnership.

The speech from the throne also mentions that Canadian military personnel is participating in the United Nations Emergency Force, which was suggested by Canada at the General Assembly of the United Nations, and here I would like, not only in my own name, but on behalf of my constituents of Dollard county, whose reaction was unanimous, to proffer our most sincere thanks and congratulations to the Secretary of State for External Affairs (Mr. Pearson) who, at one of the most crucial moments for world peace, took upon himself to suggest what, to my mind, silenced the guns in the Middle East and prevented disaster from spreading to the whole world.

We remember with emotion that, when nearly everybody was saying that war was unavoidable, the Canadian representative at the United Nations devised a formula agreeable to all concerned, and that within a few days his suggestion had not only brought hostilities to an end in that part of the world but had removed the risk of another world war which had been hanging over us for several weeks. The Secretary of State for External Affairs had long been known as a great politician and a great diplomat, and he showed himself on that occasion the champion of peace.

At the very moment when trouble was brewing in the Middle East something still more terrible was happening behind the iron curtain, when a courageous and stout-hearted

people, in a united effort, decided to cast off the yoke of dictatorship, barbarism and godlessness. This spontaneous gesture of a freedom-loving people will have world-wide consequences which can perhaps hardly be properly assessed at this time but will be felt perhaps sooner than we think. As mentioned in *Time* magazine of January 7, only later will it be possible to appraise the consequences of the action taken by the people. However the effects of this action on European politics and military forces are extraordinary. That people, unarmed and lacking practically everything, immobilized almost 80 Russian divisions, thus proving to the world that in a world-wide conflict the masters of the Kremlin cannot rely entirely upon an army reduced by them to slavery.

The action taken by the Hungarian people is the cause of all the waverings evidenced at the present time by the masters of the Kremlin. It also brought the world to the realization that the smiles by Khrushchev and Bulganin in the last few months were nothing but hypocrisy and humbug. By their barbarian military repression of this uprising for freedom on the part of the Hungarian people, the Russian communists and their leaders in particular have lost immense prestige throughout the world and among the partisans of the communist ideology. Thus since the barbarian repression of innocents with the help of Russian tanks, we have seen throughout the world thousands and thousands of communist militants leave the ranks of that movement. That action has also demonstrated that it is impossible for the Russian communist party to suppress liberty entirely and to brainwash youths to make them into machines of the state believing in no spiritual or moral values. That action equally demonstrated to the world that peoples and individuals have a deep-rooted need of truth that no method whatever can suppress and that is why all the nations of the world should be thankful to that people and should take every means possible to help those who left their family and their country to flee the vengeance of the masters of the communist party in the Kremlin.

The speech from the throne shows that Canada played its part and continues to do so to prove its gratitude to that people, by assisting through the Red Cross or otherwise those who still suffer in Hungary and the others who have come to establish themselves in our vast and rich country. The Minister of Citizenship and Immigration (Mr. Pickersgill) went in person to Austria to see for himself the needs of the refugees and consider the most appropriate and quickest way to help them and to facilitate their entry into Canada.

Already thousands of Hungarian refugees have reached our country and we shall welcome thousands of others in the near future. Each and every one of us in Canada who have enjoyed for generations living in a free and prosperous country, which has not experienced the anguish of war and the yoke of dictature, must warmly welcome those who so gallantly fought for the freedom and the safeguard of their faith.

When Christ came on earth, he taught us the great principle of love and charity. He urged us to practise charity, saying: "Love one another, give drink to those who thirst, and food to those who hunger." The Hungarian refugees who are coming to this country not only are our brothers, but they are also the champions of our way of life since they have fought for freedom, which we cherish so much. They are entitled to our respect, and I am convinced that, like the Canadian government, each and every one of the citizens of our country will take pleasure in welcoming them and assisting them. While I was speaking about the Hungarian refugees, I happened to mention our country which is so prosperous, so large, and so endowed with natural resources. The fact is even mentioned in the speech from the throne in these words. I quote:

> Excellent progress is being made in our national economic development. Expansion is evident in every part of Canada . . . employment has reached unprecedented levels.

To sum up, Canadian production as well as national revenue are reaching unprecedented heights, a fact which is not without worrying the government because of the danger of inflation which seems to follow upon the overly rapid development we are undergoing. To overcome this danger of inflation which threatens to bring about serious economic consequences, the government is of the opinion that we continue to take some steps designed to check inflation by restricting credit in this country. It is because of this that I would like to make a request on behalf of my constituents from Dollard. In my constituency there are hundreds of industries and an even larger number of tradesmen and contractors, and I would like to ask the government to continue to protect them in every possible way. This protection is especially necessary to small tradesmen and manufacturers as a safeguard against calamitous inflation. I have no doubt that the members

of the Canadian government have no wish to see these people discontinue their activities and that they will see to it that necessary steps are taken to prevent them from undergoing too serious difficulties in the conduct of their business. In his speech on the address in reply, the leader of the opposition obviously made reference to the strike which was at that time paralysing one of the two large railways in this country, a strike which threatened to provoke serious trouble. However, instead of putting forward a solution, the leader of the opposition contented himself with saying, as is recorded in *Hansard*, volume 100, No. 3, page 26:

> What does the government do? It continues its policy of being resolute in irresolution.

The Prime Minister answered then and I am quoting again from the same volume, page 36:

> I can assure the hon. gentleman that my colleagues and I have not been inactive and that the remaining stumbling block has been narrowed very considerably.

Then the Prime Minister expressed what he believed to be acceptable to all, while not interfering with the democratic rights of each of the parties involved.

Time has shown that he was right as he was able to announce to the great satisfaction of the house and of the country that the strike had ended and that both parties to the dispute had accepted his proposal. In fact, one cannot more adequately express the feelings of the house and of Canada than was done by the hon. member for Rosetown-Biggar (Mr. Coldwell) after the Prime Minister had announced the end of the strike, when he said:

> We, too, express satisfaction that there has been no compulsion; free men in a free society, bargaining freely, have achieved the result. I am glad there was no compulsion exercised against either party in this dispute. I am sure the people of Canada will welcome the announcement made by the Prime Minister. I wish to congratulate all those who have participated in bringing about this satisfactory result.

If the hon. member for Rosetown-Biggar, who sits on the opposition side, saw fit to express such feelings I can, with all the more reason, sitting as I do on the government side, rejoice with the people of Canada which placed its confidence in the attitude of the Prime Minister throughout this crisis. I wish to congratulate him for his reasonable stand in the settlement of this strike and for the remarkable results he has achieved.

Through the voice of the governor general, the government has announced in the speech from the throne an amendment extending the scope of the Municipal Grants Act to authorize the payment of grants in lieu of taxes on federal property in all municipalities where such property receives normal municipal services.

I had the opportunity to read several editorials published by various papers throughout the country, and everybody will agree with me that the legislation was welcomed by the people and the municipalities who will benefit thereby. With the expansion experienced by most municipalities in the past few years, in the industrial, commercial and housing fields, the municipal councils had to face growing needs which had to be paid for in a short period of years. The municipalities had to build sewers, streets, sidewalks, and finally guarantee all the relevant services. Most municipalities who have known such developments have a real need of money and this measure announced by the government will greatly help the municipalities that have federal buildings on their territory. In the county which I have the honour to represent, and more particularly in the city of St. Laurent, the government has erected public buildings and I know that this legislation will be welcomed by the municipal authorities of this town which is one of the most progressive in this country.

In concluding, Mr. Speaker, I want to call attention to a part of the speech from the throne which, if it cannot but be of some concern for the Canadian people, is something to be enthusiastic over for a man of my generation who has the advantage of representing a county where the average age is young. I refer to the measure for the establishment of a Canada council for the arts, humanities and social sciences, which will certainly give a new impetus to the development of Canadian scholarship and culture.

Speaking of Canadian culture, I would like to mention an article published in the January 1957 issue of *Esquire* and written by one of the contributors to that magazine, Mr. Gerald Kersh. Like many others, I was surprised to read in that magazine, which usually gives good publicity to our country, that article by Mr. Kersh which suggests that an important part of the Canadian people, namely the French Canadians, have no culture and are all but uncivilized.

I would not mention it, if it was not that this magazine is read by millions of people, in Canada as well as in the United States.

I was told, too, that the manager of this magazine has apologized to the authorities of the province I come from, and I appreciate it, but since these apologies have not been as widely publicized as the article, I fear that I would not be fulfilling my duty, not as a French Canadian, but as a Canadian, if I failed to call attention to this matter.

In his article, Mr. Kersh infers that we have no culture at all, that we Canadian citizens of French origin have produced nothing in the field of literature, music, painting or any other field. He holds also that, in the field of culinary art, the only dish that we have succeeded in inventing is pea-soup. He insinuates also that our language is very poor and he seems bent on describing us as a group of cave-dwellers. That article goes so far, Mr. Speaker, that when I started reading it I thought that it was a formidable joke; I thought that its author was trying to caricature us. If it is a joke, Mr. Speaker, it is in very bad taste, and if it is a caricature, it is badly done for it bears no resemblance to those it attempts to describe.

Mr. Kersh goes further and strikes at the very foundation of society, the family. He tells us that if we shut in for the winter a couple of Canadians of French origin, we shall find the following spring two or three little Canadians. Nothing could be viler. Our society, as I said, is based precisely on the family. Nothing is more sacred. I cannot understand a man like Mr. Kersh jeering at it. We are rightly proud of our large families. They constitute one of the greatest values and riches of the Canadian nation. When Mr. Kersh tells us that there is no cuisine in the province of Quebec, the facts belie that because it is recognized, not only throughout Canada, but also in the United States and even abroad that in the province of Quebec, and in the cities of Montreal and Quebec in particular, there are numerous places where dishes are the best and the most varied.

As regards our culture, it is easy to prove that, while we are a young nation, our culture is in full development. We are proud of the men the nation has produced in the fields of literature, arts, sciences or politics. Among the latter there are few Canadians more completely and thoroughly cultured than the present Prime Minister of Canada, the Right Hon. Louis St. Laurent whose mother was a great Canadian woman of Irish origin and whose father was a French Canadian. He was also so fortunate as to be brought up in Canada, in the province where I was born. At the beginning of my remarks concerning Mr. Kersh's article, I stated that I was moved to criticize these remarks which, to say the least, are quite unkind not so much because I am a Canadian of French origin but because I am a Canadian citizen. In attacking French culture he was also attacking Canadian culture since the people of Canada, even though its members may differ as to origin, and even though each group may have retained its own traditions, nonetheless forms one people. In spite of this diversity and because of it we have acquired a distinctly Canadian culture which, if it is allowed to come to fruition is called upon to be rich and to be capable not only of identifying a nation, but of serving it and of being also of service to the peoples of the world because of the development of our country and of the increasing influence which we wield in the councils of nations. It is up to us to enrich that purely Canadian culture in order to be worthy of our mission and so to be able fully to avail ourselves of the spiritual and even of the material values which Providence has dispensed to us. In that sense, I am firmly convinced that the bill for the establishment of a Canadian council for the arts, humanities and social sciences will mean an important progress. That is why I congratulate the Prime Minister who conceived this project as well as the members of the government for their contribution to its inception.

(*Text*):

Mr. H. J. Michaud (Kent, N.B.): Mr. Speaker, it gives me particular pleasure at this time to offer my congratulations to the hon. member for Edmonton-Strathcona (Mr. Hanna) on the brilliant manner in which he discharged his duty in moving the address in reply to the speech from the throne.

(*Translation*):

I congratulate also the seconder of the address in reply to the speech from the throne, the honourable member for Gloucester (Mr. Robichaud). He has discharged himself of his task with a distinction which honours the constituency he represents, as well as his province. I have been much impressed by his remarks about higher education in Acadia. There will never be enough praise for the heroism of those who, until today, have been mainly responsible for the maintenance of the cause of the Acadians in their small country. Today, the federal government wants to increase its assistance to the Canadian universities. Our Acadian educational institutions will accept these grants from the government, confident that this new contribution will hasten in our part of the country a greater cultural development, and a wider influence of our Acadian ethnical group. The French fact in Canada

has a right to exist throughout the country. However, experience has shown that it is in the federal charter that the minorities of the country have most often found a guarantee of that right. Instead of considering the influence of a central government as a threat to their rights, the minorities have many times had cause to rejoice in having turned towards it. Such was the case for instance in connection with radio broadcasting. Such will be the case in connection with television. I am therefore happy at this time to congratulate this government for wanting to increase the grants to the universities of this country.

Mr. Speaker, may I be allowed to point out the seriousness of the situation which until a few days ago was of great concern to all Canadians. By this I mean the strike which brought to a standstill the operations of one of our great railways. If it is true that this strike has now ended because of the spirit of co-operation shown by all interested parties, I believe that it is well to mention more particularly the conciliatory role played by the Prime Minister of Canada during these talks which brought about a solution to the strike.

I believe that all Canadians appreciate the outstanding part taken by the Prime Minister in these serious circumstances.

Furthermore, Mr. Speaker, it would be appropriate, I think, to mention here the satisfaction felt by all the members of this house at the return of the hon. Minister of National Health and Welfare (Mr. Martin). The message of good will which he has carried throughout the world, in the name of the people and of the government of Canada, will no doubt contribute to enhance, in the eyes of the other nations of the world, the already enviable prestige of Canada. We are therefore happy to express to the hon. minister our feeling of high appreciation for his distinguished services to his country.

I should also mention the part played by the hon. Minister of Citizenship and Immigration (Mr. Pickersgill) who acted on behalf of our country in order to help the unfortunate Hungarian people. There was a humanitarian deed in the best Christian spirit. Canada has been enhanced by this action. The Canadian people must express all its gratitude to the man who represented this country so well in this circumstance.

(*Text*):

On January 8 I was pleased to hear during the reading of the speech from the throne of the government's proposals to recommend in the Senate the establishment of a committee—

. . . to consider what should be done to make better use of land for agriculture and thus to contribute more effectively to the improvement of agricultural production and the incomes of those engaged in it.

I know that all are conscious of the present condition, whereby farmers today are not receiving their proportionate share of the national revenue. I listened with interest the other day to the remarks made in this house by the hon. member for Victoria-Carleton, and I want to commend at this time the interest the hon. member has always shown in agriculture, particularly in regard to agricultural conditions in our own province of New Brunswick. At all times he has proven to be a strong advocate of more government assistance and support to New Brunswick farmers, and I have often shared his views in this respect. In his speech the other day, however, I felt the hon. member was being inconsistent when he took a critical view of the government's proposal to recommend the establishment of an agricultural study committee.

We are all aware that the farming population of our province, together with the farming population of the rest of the country, is not receiving an equitable return for its efforts. I am sure everyone, including the members of the government, will agree with the hon. member's contention that our farmers are hard-working people, that they are clever and no less backward than the rest of their fellow citizens, and that many of them are most successful in their undertakings; but we must not forget that agriculture is also a science and as such is open to a scientific approach in both the fields of production and marketing. I have no doubt that this is the thought the government has in mind when seeking plans which will assure our farming people a fair and equitable return for the job performed.

The hon. member for Victoria-Carleton further stated that what farmers in New Brunswick need is a market for their produce. I am quite in agreement with him on this matter, but might I be permitted to make another suggestion in this regard. Would not the readiest market available to maritime farmers be the maritime market itself? When we consider that we import between 60 and 65 per cent of the foodstuffs for our own local requirements this would appear to be the logical goal we should strive to achieve.

Pursuant to that matter I would like to express a view which I have already expressed in this house. This agriculture committee could properly seek ways and means to establish freezing and processing plants at points in farming areas, thus enabling the maritime farmers themselves to secure this ready market, for most of the food commodities we need can be produced at home.

I am not of the opinion that the main source of our difficulties in relation to the maritime farm economy lies in the lack of soil fertility. I believe, on the contrary, that when properly cultivated our land is generally good, fertile land which can yield all the vital things we need for our own sustenance. I feel, therefore, there is a definite need for a committee such as was proposed in the speech from the throne on January 8, and I am looking forward with great hope that the task it will perform will mark a turning point in the farm economy of our country and more particularly in the maritime farm economy.

Again referring to the remarks made by the hon. member for Victoria-Carleton in this house last week, there is one point on which I might say that I am in some agreement with him. I am now speaking of his reference to the inefficiency of the Canadian farm loan board to cope fully with the credit needs of the Canadian farmers. There is a growing feeling of dissatisfaction toward the rigid attitude of this board in its appraisal of the credit requirements and actual assets of farm properties. It is no longer being considered by the majority of farmers as a farm loan institution, but merely as just another loan institution. Statistics could be produced to bear out that tendency. Between March 31, 1956, and December 31, 1956, the Canadian farm loan board received 64 applications from New Brunswick, 39 of which were approved, for a total of $149,700.

If we consider that farming is New Brunswick's chief industry, and if we also consider the number of farms in the province and the necessity of rehabilitating many of them, we must admit that these figures are not very impressive. I would suggest to the Department of Finance that they reconsider the terms and regulations now governing the operations of the Canadian farm loan board with a view to rendering them more flexible and more adequate to meet the requirements of those farmers who rely upon the facilities of this board for financial assistance.

However, we should not assume that the federal Department of Agriculture is solely responsible for the welfare of our farm population, and I would like to point out that under our constitution the welfare of our farmers is also the responsibility of the provincial authorities. In recognizing this responsibility I would hope that our provincial governments across Canada, including the government of New Brunswick, would realize they are not relieved of the responsibility of giving some assistance in matters of loan financing.

Referring to the fishing industry, I should like to say that in relation to the maritime economy it is next in importance to the farming industry. In a general way I think it is right to say that our fishermen had a comparatively good year in 1956. This is particularly true of lobster fishermen, who form the majority of the fishermen in my own constituency of Kent. In this regard I should like to quote from a Moncton *Times* editorial dated December 8, 1956, concerning this matter:

> Nature evidently beamed with favour on the lobster fishermen of New Brunswick during the respective open seasons around this province's coastlines in 1956. For this became known when the reports were submitted to the conference of federal fisheries officers just concluded in Moncton. "A decided increase" in the lobster catch is how district protection officer A. A. Robichaud summarized the over-all outcome of the various lobstering seasons this year.
>
> For the fishermen of Westmorland and Kent counties, as well as others actively associated with or interested in this lucrative branch of the fisheries industry, the season, both in regard to catch and landed values, was one that again reflected increases. The crustaceans garnered from the fishing grounds in the Northumberland strait between Point Sapin, N.B., and River Phillip, N.S., totalled in volume 5,919,700 pounds and brought the fishermen a total revenue of $1,810,193.
>
> This is the fourth successive year that an improvement in both catch and value has been recorded. It compared with the respective figures for 1955 of 5,299,000 pounds valued at $1,657,245; of those for 1954 of 3,067,700 pounds valued at $1,306,272, and those of 1953 of 4,133,200 pounds valued at $1,243,603.

And again:

> From the standpoint of volume, it would appear that the stricter surveillance of the lobster grounds by augmented numbers of fisheries protection officers these past few years has had some effect in reducing the depredations of poachers as well as other illegal fishing methods. And the education program stressing conservation measures, which has been carried on during the past four years, has also had a beneficial effect in nurturing the valuable lobster population off the shores of this province.
>
> The lobster fishery forms an important part of the economy of the eastern, northern and southern coastal areas of New Brunswick. It provides the fishermen with a considerable part of their annual income, and it is a matter of much satisfaction to see this increasing.

In my estimation that editorial gives a fairly comprehensive account of the situation inasmuch as it applies to the Kent county lobster industry. There seems to exist sufficient evidence of a healthful note of optimism for the future of that industry. Apart from that encouraging factor is also the prospect for many fishermen of unemployment insurance benefits which will become available next year to the fishing industry. This should prove of valuable assistance during the winter months, when the income of fishermen in my district is at its lowest level.

I was interested in reading on January 8 a press report stating that the Department of Fisheries plans to reseed the oyster fishing

grounds in New Brunswick and Nova Scotia. In regard to this matter I should like to refer to an editorial which appeared in the Moncton *Transcript* of January 10, and which very adequately sums up the situation. It relates the history of the disease which depleted our oyster grounds during the course of the past few years. It states:

In fact the experts have estimated that 90 per cent of the oyster stocks in the affected waters have been destroyed by natural mortalities over that comparatively short period of 1955 and 1956. This devastation, of course, caused not only a decided reduction in the volume of the shellfish garnered but also in the landed values.

The biologists found the New Brunswick and Nova Scotia oyster grounds had been swept by a disease similar to that which all but ruined the long-famed beds in Prince Edward Island between 35 and 40 years ago. So it is from the island's now prolific producing waters that disease-resistant bivalves will be transplanted to bring about the rehabilitation of the depleted oyster fishing grounds of the mainland provinces.

There seems no doubt but the method of rehabilitation will prove equally as successful in the present instances as was the case in restoring the Prince Edward Island beds some years ago. It will, of course, take several years before the process shall have completely eradicated the disease which has been depleting the oysters. In all, the plan will see 10,000 barrels of P.E.I. disease-resistant bivalves planted in New Brunswick and Nova Scotia fishing grounds over the ensuing three years, with the 1957 transplant totalling 1,500 barrels to be made in May and June.

The federal government officials merit commendation in taking timely action towards the restoration of this fishery which in past years has been a valuable one to the fishermen of this and the other maritime provinces. Research has dictated that the oyster beds would rehabilitate themselves naturally within a period of 10 to 15 years, but the department's action gives recognition to the fact that it is unnecessary to deprive fishermen of this source of income for so long a period.

I wish to associate myself with the concluding words of that article, and also congratulate the Department of Fisheries for the active action being taken in this matter. I express the hope also that as a result of these activities we shall see the oyster beds of Kent county brought back to their former production which meant so much to the income of our local fishermen.

On motion of Mr. Weir the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: We shall continue with this debate tomorrow.

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

Questions

ANSWERS TO QUESTIONS

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

INDUSTRIAL DEVELOPMENT BANK— NEW BRUNSWICK LOANS

Question No. 13—**Mr. Van Horne:**

1. Did the industrial development bank make loans in New Brunswick in 1956?
2. If so, how many loans were made and what was the amount of each loan?
3. How many applications for loans were made?
4. What percentage of the loans applied for were granted?

Answer by: **Hon. W. E. Harris (Minister of Finance):**

1, 2, 3, and 4. The only information of government record is contained in the annual report of the industrial development bank which shows that loans to the amount of $1,346,000 were authorized in the province of New Brunswick in the fiscal year ended September 30, 1956.

SUEZ CRISIS—EGYPTIAN REPRESENTATIONS TO CANADA

Question No. 16—**Mr. Poulin:**

Did the prime minister of Egypt or his government, during the Suez crisis last fall, make representations to the Canadian government concerning (a) the uniform to be worn by a group of Canadian servicemen about to join the international police force; (b) the flag such group would fly?

Answer by: **Hon. L. B. Pearson (Secretary of State for External Affairs):**

(a) No. (b) No.

HOUSE OF COMMONS

Wednesday, January 16, 1957

The house met at 2.30 p.m.

THE LATE EARL OF ATHLONE

TRIBUTE TO FORMER GOVERNOR GENERAL OF CANADA

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I am sure all members of this house and all Canadians of our generation who have vivid personal recollections of Canada's all-out war effort during the first half of the forties were grieved to hear this morning of the death of the right hon. the Earl of Athlone.

As governor general of Canada through the most hazardous years of the war, the Earl of Athlone won the confidence and the affection of the Canadian people from coast to coast. The Earl of Athlone entered on his high office in the dark days of 1940 when the future of civilization might seem to have been at stake. Throughout the following anxious years until his departure in the spring of 1946 His Excellency performed the complex and difficult duties of governor general with tact, with zeal and with distinction. From the first the Earl and the Princess Alice threw themselves wholeheartedly into the life and problems of our country. By their wide travels over Canada, by the warm-hearted way in which they greeted thousands upon thousands of Canadians and by the active interest which they took in every phase of Canadian life in wartime, in our armed forces, in munitions plants, in hospitals and in countless other directions, they did all that was in their power to help promote the feeling of national unity so essential to a total war effort.

The Earl of Athlone had had a long and admirable career of public service before he came to Canada. As a young officer, he had served with distinction in the campaigns both in Matabeleland and in South Africa. It was indeed his devotion to his duty as a soldier which prevented him from coming to Canada as governor general in 1914, when he was appointed to that office by His Majesty King George the Fifth. Instead, he went to France, again to serve with distinction in Britain's armed forces.

Throughout his long career, and particularly as governor general of Canada, he showed an exceptional appreciation of the manner in which the commonwealth of nations was developing as a free association of independent nations, bound together by a common loyalty. In his speeches he frequently interpreted that development with sympathy and skill.

No one could have shown greater pride in the part which Canada played in the war, and in the place which Canada had earned by her efforts among the united nations, than did the Earl of Athlone in his many public addresses as governor general of this country.

Each time I have had the pleasure of meeting the Earl of Athlone and Princess Alice since 1946, and I have had the privilege of doing so on several occasions, they never failed to show continued interest in Canadian events and developments. I know too that many other Canadians who have had the privilege of meeting them have had the same experience.

The passing of the Earl of Athlone will be widely mourned throughout Canada, as throughout all the commonwealth. He will long be remembered for the ability and devotion with which he performed the duties of his high office at a most critical time in the history of our country and of the civilized world.

I would like, supported by the Leader of the Opposition, to suggest that as a tribute to the memory of this great public servant of his sovereign, of Canada, and of the commonwealth, and as a mark of our deep sympathy with Her Royal Highness the Princess Alice, with our beloved Queen and with all the members of the royal family we stand together for a moment of silence and mournful reflection on their bereavement.

(Whereupon the members rose and observed a period of silence.)

FINANCE

BANK OF CANADA—INFLUENCE ON INTEREST RATES

On the orders of the day:

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I wish to direct a question to the Minister of Finance (Mr. Harris) with regard to the much discussed and all-important, though I must admit somewhat technical, question of interest rates. I wish to ask him

a question based on what he said on November 27 last, and I read briefly from what he then said, as reported at page 47 of *Hansard*:

It is not the action of the Bank of Canada which is causing the rise in interest rates, it is the demand on the money supply both in business and in government circles; and the Bank of Canada interest rate is only a reflection of the increased interest rates in the money market.

And again:

Some hon. Members: Question.

Mr. Macdonnell: I will ask the question in due course. Then he said:

When it is said that the Bank of Canada rate was increased and thereby other rates were increased, it is just merely putting the cart before the horse because it is the reverse.

Some hon. Members: Order.

Mr. Macdonnell: There seem to be many speakers in this house, Mr. Speaker.

Mr. St. Laurent (Quebec East): And this is a time when it is not proper for speeches to be made.

Mr. Macdonnell: Mr. Speaker, having laid the foundation for my question, does the Minister of Finance not think—

An hon. Member: You have laid a foundation for a 10-storey building.

Mr. Rowe: If hon. members across the way kept quiet they would understand the question.

Mr. Macdonnell: Does the minister not agree that the interest rates in the money market, of which he says the Bank of Canada rate is only a reflection, are themselves affected by the Bank of Canada's own action in buying and selling bonds in the open market, and that therefore the Bank of Canada does influence interest rates?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I am grateful to the hon. member for repeating what I said; it is very seldom that I find myself an authority on anything. But it is only just what he said, Mr. Speaker; it seems to me that most members of the Tory party start with the foundation of the Liberal party and then see whether they cannot get somewhere after that.

Mr. Ferguson: If we used the foundations of your party we would never get anywhere.

Mr. Harris: I think I can answer the question very simply by saying that I have no change to make in the statement I made then, though it was in answer to a question during the question period. I would be glad to discuss it in greater detail later at the appropriate time. However, since it is a matter of interest and since my hon. friend has gone to some trouble to look for my remarks on the subject, may I say there is no question at all that the interest rate, the rediscount rate, of the Bank of Canada, which was increased, my recollection is, in August 1955, followed after a steady increase in interest rates which had extended over six months prior to that. To that extent and for that reason I gave the answer in November that the increased discount rate is merely a reflection of the increased demand for money in the money market which led to an increased interest rate.

Now then, it may be that when the Bank of Canada increases its interest rate certain persons may ascribe to it—that is, the increase in rate—reasons why they in turn should increase their interest rates. That does not at the same time admit that there is any validity for certain interest increases for that reason alone and I think that probably is what my hon. friend had in mind.

Mr. Macdonnell: A supplementary question, Mr. Speaker. I like to use moderate language but I think the minister, as he did last autumn, is simply not answering. I would like to refer the minister to what the governor of the Bank of Canada said at page 383 of the proceedings of last year—

Some hon. Members: Question.

Mr. Macdonnell: —and I think the minister will find that it is entirely in disagreement with what he said. I would also like to remind the minister—

Some hon. Members: Order.

Mr. Speaker: Order. I think the hon. gentleman has had time enough to lay a long foundation and frame a long question and unless he wants to ask a supplementary question at this time I do not think he should do so by laying down another long foundation.

[*Later:*]

Mr. Macdonnell: Mr. Speaker, to return to my previous question, may I ask the Minister of Finance this question. Is the minister persisting in his previous statement that the Bank of Canada has no influence on interest rates?

Mr. Harris: Mr. Speaker, I have never said that the Bank of Canada had no influence on interest rates. My recollection is that that question was asked of me in a different form by the hon. member for Greenwood a month or so ago and that I did not make any answer which would indicate that the Bank of Canada could not influence interest rates. As a matter of fact, it could do so. He knows that and I think everyone else knows it.

Mr. J. G. Diefenbaker (Leader of the Opposition): In that connection, would the minister outline what powers the Bank of Canada has to do other than control the quantity of credit? What power has it to allocate credit? What power has it to give advice and to apply pressure to private business, if that course is being followed? I ask the minister whether the government has abdicated to the Bank of Canada its rights, its authority, and its responsibility to do things that are not justified by the Bank of Canada Act.

Mr. Harris: Mr. Speaker, I have said already this afternoon that I intended to make some rather extended remarks about this matter. But in anticipation of doing that, I think I should answer my hon. friend by reminding him that I told his acting leader, in answer to a similar question some months ago, that if he would only read the Bank of Canada Act he would get the answer to his question.

Hon. W. Earl Rowe (Dufferin-Simcoe): In view of the advice I received from the Minister of Finance on that occasion, Mr. Speaker, I might ask a supplementary question. Does the government approve of the Bank of Canada's decision to restrict credit independent of collateral and, as my leader has suggested, thereby more or less controlling business generally?

Mr. Harris: I am afraid I do not quite understand that question, Mr. Speaker.

An hon. Member: Have you read the Bank of Canada Act?

Mr. Harris: I have read the Bank of Canada Act several times.

Mr. Rowe: May I suggest to the Minister of Finance that he might read the Bank of Canada Act.

Mr. Harris: I have done so.

[*Later:*]

Mr. Roland Michener (St. Paul's): I should like to direct a question to the Minister of Finance supplementary to the question asked by the hon. member for Greenwood. If the minister wishes the house to understand that the Bank of Canada is a follower rather than a leader, what steps is the government taking to meet the inflationary trend at this time?

Mr. Harris: Once again, Mr. Speaker, I must say I am gratified that hon. members of the opposition are now agreeing that we have an inflationary problem. There was a time not so long ago when they questioned the things that were being done. I can only assure my hon. friend that to the best of my ability in the course of this session I shall deliver quite a long speech on this particular subject in order to try to tell them the answer to that question.

[*Later:*]

Mr. H. O. White (Middlesex East): I should like to direct a question to the Minister of Finance. Are the chartered banks of Canada authorized or advised by the Bank of Canada to charge different rates of interest to different borrowers?

Mr. Harris: No, Mr. Speaker.

REPORTED DIFFICULTY RESPECTING MUNICIPAL DEBENTURE ISSUES

On the orders of the day:

Mr. Michael Starr (Ontario): Mr. Speaker, I wish to direct a question to the hon. Minister of Finance. Is the minister aware of the difficulties that municipalities are experiencing in their endeavour to sell debentures, and the high rate of interest that they are forced to pay on the sale of these debentures which are issued for the purpose of necessary construction of schools, water works and other municipal projects?

If so, is the government considering making money more readily available to municipalities at a low rate of interest?

Hon. W. E. Harris (Minister of Finance): My recollection is that the municipal governments of Canada borrowed more money in 1956 than they did in any previous year. That fact does not lead one to conclude that they are having difficulty in getting money. It is true, however, that they had to pay the high interest rate for raising the money already discussed this afternoon.

Mr. Starr: Is the minister aware of the fact that certain municipalities in the Ottawa area have been trying to sell debentures and have been willing to pay the 5 per cent interest but have not been able to sell them yet, and that the same situation is being experienced by other municipalities throughout the country at the present time?

Mr. Harris: I do not get communications from the municipalities telling me all their particular difficulties. If there are some which cannot borrow money unless they pay 5 per cent, I presume that what I said on November 27 still obtains, namely that if the elected representatives feel that the work they are undertaking is necessary and essential and therefore one which should be gone ahead with despite interest rates, no doubt they will take the step of borrowing at that rate. If, on the other hand, they feel that they can postpone it because of the cost, they

will do so. That is one manner in which we are trying to prolong the present boom.

Mr. Starr: May I just point out to the minister that the works—

Some hon. Members: Order.

Mr. Starr: —which the municipal governments have in contemplation are absolutely necessary. Such things as schools and projects in connection with water supplies are necessary. Does not the minister think that the extra interest is an overburden to municipal home owners if they could have made available by this government loans with a low interest rate?

An hon. Member: No answer.

HOUSING

N.H.A. LOANS—REQUEST THAT INTEREST RATES BE NOT INCREASED

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in the absence of the Minister of Public Works (Mr. Winters) may I direct a question to the Minister of Finance (Mr. Harris)? Perhaps I would direct it to the Minister of Finance even if the Minister of Public Works were here. In view of the continuing need of money for housing and the already high cost of interest payments, and in the light of the Canadian Press report this morning—

Some hon. Members: Order.

Mr. Knowles: —will the government take steps to see that National Housing Act money is made available for housing construction without an increase in the interest rate?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I am sure that the house would expect me to leave that question to be answered by the Minister of Public Works.

Mr. Knowles: A supplementary question, Mr. Speaker. Does the Minister of Finance not feel that this question of money being made available for housing rather than for some other projects is a matter of over-all government financial policy on which he as the Minister of Finance should have something to say?

Mr. Harris: Of course, Mr. Speaker, I will have something to say about it, but in consultation with the Minister of Public Works and my colleagues.

[Mr. Harris.]

PIPE LINES

TRANS-CANADA PIPE LINES—INQUIRY AS TO PRESENT STATUS

On the orders of the day:

Mr. G. H. Castleden (Yorkton): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce (Mr. Howe), and in his absence perhaps the parliamentary assistant could answer. In fact, there are two questions. Can the minister inform the house as to the date when it is now expected that the Trans-Canada pipe line will be completed to Winnipeg and Emerson? Has consideration been given to any extension of the date of repayment of the $8 million loan—

Some hon. Members: Eighty million.

Mr. Castleden: —yes, the $80 million loan to Trans-Canada Pipe Lines beyond April 1, 1957?

Mr. J. H. Dickey (Parliamentary Assistant, for the Minister of Trade and Commerce): Mr. Speaker, in the absence of the minister the question will be taken as notice.

THE CANADIAN ECONOMY

GORDON COMMISSION REPORT—RECOMMENDATIONS RESPECTING MARITIME PROVINCES

On the orders of the day:

Mr. J. C. Van Horne (Restigouche-Madawaska): Mr. Speaker, I should like to direct a question to the Prime Minister. What is the attitude of the government in regard to the Gordon commission's recommendations that the government pay the cost of relocation for people who wish to move away from the neglected maritime provinces?

Right Hon. L. S. St. Laurent (Prime Minister): My impression of some of the reports made by several newspapers with respect to that aspect of the Gordon commission report is that they are quite inaccurate. The suggestion, as I read it in the report, is that everything possible should be done to bring the economic activity of the Atlantic region up to a point where the standards of living there will be very much nearer those of the most favoured regions in Canada. If after doing so it should appear that the resources of the area are not sufficient to accomplish that for all those who are in the area, and some of them wish to remove for that reason to other areas, I take it that the suggestion is that there should be consideration given to assisting them in making that move. But that is only in the event that all possible ways of making the best possible use of the resources of the area and to the fullest possible extent have proved insufficient to raise the standards of living of the people in the area

close enough to those of the people of the most favoured regions in the country.

Mr. Diefenbaker: Mr. Speaker—

Mr. Van Horne: A supplementary question—

Some hon. Members: Oh, oh.

An hon. Member: Two leaders.

Mr. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, in view of the fact that everybody in the government seems to deny the paternity of this report and is running away from it, would the government consider giving us a revised statement as to the portions with which they agree?

Mr. St. Laurent (Quebec East): Mr. Speaker, when this government appoints a commission to inquire into and report on a certain situation it makes no effort whatsoever to dictate to the commission what its recommendations shall be.

Some hon. Members: Hear, hear.

Mr. St. Laurent (Quebec East): We are claiming the paternity of the idea of establishing the commission and the commission itself is entitled to the paternity of all recommendations in its report.

Mr. Van Horne: I should like to ask a supplementary question of the Prime Minister. When will his government start to move and do something for the maritime provinces?

Mr. St. Laurent (Quebec East): The government has been moving at such a pace that no other party in this country has been able to keep up with it.

Some hon. Members: Hear, hear.

Mr. Speaker: Order.

GORDON COMMISSION REPORT—SOUTH SASKATCHEWAN RIVER DAM

On the orders of the day:

Mr. George H. Hees (Broadview): I should like to direct a question to the Minister of Agriculture. In view of the widespread clamour in his own province for the South Saskatchewan dam, does the minister agree with the specific recommendation in the Gordon report, and I quote these words:

> . . . cautions the government against proceeding with the construction of substantial irrigation projects, as these tend to result in overproduction of agricultural products.

Right Hon. J. G. Gardiner (Minister of Agriculture): I have never associated the building of the South Saskatchewan dam with only irrigation projects. I think other objectives are much more important even than that.

Mr. H. R. Argue (Assiniboia): I wonder if I might ask a supplementary question. Since the tabling of the Gordon commission report, has the minister made any representations to his colleagues that the South Saskatchewan dam be proceeded with?

Mr. Gardiner: I think the members of the government will agree that if I were to recite to this house all the representations I make to members of the government and the government with regard to the South Saskatchewan, it would take up most of the session.

Mr. J. G. Diefenbaker (Leader of the Opposition): Will the Prime Minister tell the house how effective the representations have been, and whether there is any intention to go ahead this year?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, this matter has been given serious consideration, and I can only repeat what I have said a number of times. As soon as I can, with conviction, come to the house and say I feel that the expenditure is a proper expenditure of the taxpayers' money in the interests of Canada generally, I will do so. It is, I think, quite a borderline case. There are a great many projects that would be beneficial projects, but there is the responsibility on the government of determining and then recommending to parliament that we honestly believe the expenditure we propose is an expenditure that will add more to the Canadian economy than the interest and amortization charges will take out of the Canadian economy, and we have not yet arrived at that conclusion about the South Saskatchewan dam.

Mr. Argue: May I ask the Prime Minister a supplementary question? Has he considered this matter further since the tabling of the royal commission report?

Mr. St. Laurent (Quebec East): Not in any special way; but the matter is one that, because of what my colleague has said, is ever present in the considerations of the members of this government.

Mr. Argue: We would like some action.

POWER

SAINT JOHN RIVER DEVELOPMENT—INQUIRY AS TO FEDERAL CO-OPERATION

On the orders of the day:

Mr. George H. Hees (Broadview): Mr. Speaker, I should like to direct a question to the Prime Minister. As part of the government's program to assist the maritime provinces to help themselves and increase their standards of living, does the Prime Minister

intend to assist the premier of New Brunswick by backing his power development bonds so that he can develop power on the Saint John river which is urgently needed in that area?

Right Hon. L. S. St. Laurent (Prime Minister): The premier of New Brunswick and the people of New Brunswick will require no backing of their bonds for the Beechwood development. With respect to other developments, there have been no reports submitted that would establish that there is prepared a project that would have economic possibilities and economic results. That is being carefully considered and when it is demonstrated that there can be use made of water power if sufficient can be obtained to make it an economic proposition or that there can be thermoelectric power produced with the use of coal in the Atlantic region, then if the province of New Brunswick requires assistance to bring that about their request for assistance will be given very sympathetic consideration because I think it is in the interests of the economy of the whole of Canada to have no depressed areas in Canada.

Mr. Hees: I should like to ask a supplementary question. What excuse has the government for refusing over the past two years to accede to Premier Hugh John Flemming's request for assistance to back his power development?

Mr. St. Laurent (Quebec East): I think I am better informed of the attitude of the government of Canada and of the government of New Brunswick than is my hon. friend. I have been having conferences with the prime minister of New Brunswick ever since he became prime minister.

Mr. Hees: And you turned him down flat.

Mr. St. Laurent (Quebec East): I have not turned him down flat. As soon as they bring forward a scheme which can be studied to determine whether it has economic possibilities and which is apt really to stimulate the economy of the region it will receive careful consideration, and that matter is still being studied by the advisers of the government of New Brunswick.

Mr. Thomas M. Bell (Saint John-Albert): May I ask a supplementary question? May we expect a decision on this before the next election?

Mr. St. Laurent (Quebec East): You can expect a decision on it just as soon as there is put before us by the government and people of New Brunswick a scheme that can be studied as to its economic merits.

[Mr. Hees.]

Mr. Bell: Does the Prime Minister deny the fact that on at least three occasions we have put forward such schemes?

Mr. St. Laurent (Quebec East): I do most positively deny that there has ever been put forward the kind of scheme that could be implemented along the lines I have mentioned. There have been general suggestions that they should get aid, and with those general suggestions we agree, but there has never been put forward any specific proposition that could be recommended to parliament as one that would really stimulate the economy of the Atlantic region in a fashion that would be beneficial to the whole economy of Canada.

Mr. G. W. Montgomery (Victoria-Carleton): May I put a supplementary question? Do I understand the Prime Minister to say that the development of the Beechwood proposition on the Saint John river is not a sound and economic proposition, and one that does not stimulate the growth and prosperity of Canada?

Mr. St. Laurent (Quebec East): On the contrary, it has been found sufficiently sound to be financed without assistance from the federal treasury.

Mr. C. W. Hodgson (Victoria, Ont.): Are the Prime Minister and his government going back to the days of the thirties when Mackenzie King made the statement that there would not be a single nickel given to the provinces?

Mr. St. Laurent (Quebec East): I do not know of anyone unless it be the hon. member himself—and I do not think he is doing so—who is asking for a nickel.

EXTERNAL AFFAIRS

REPORTED SPEECH BY MR. DULLES — INQUIRY AS TO CANADIAN POLICY

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): May I ask a question of the Prime Minister. Dispatches published in the Ottawa newspapers yesterday afternoon contained reports of statements attributed to United States Secretary of State Dulles made, I think, before a committee of the United States Senate. He is reported as having said the United States could not go into partnership with Britain and France in any Middle East plan. Then follows this quotation, which appears to be a verbatim report:

> I cannot think of anything that would more surely turn the area over to international communism than to go in there hand in hand with Britain and France.

I would like to ask the Prime Minister whether that amazing statement is also the viewpoint of the Canadian government and, if not, whether the Prime Minister will dissociate Canada from any such statement.

Right Hon. L. S. St. Laurent (Prime Minister): Canada does not have to be dissociated from statements made by foreign ministers of other nations, and if that were the viewpoint of Canada it would be stated by the Secretary of State for External Affairs of Canada.

Mr. Green: Does the Prime Minister not think Canada should take some stand on this question, if for no other reason than to further co-operation among the United Kingdom, France and the United States?

Mr. St. Laurent (Quebec East): Canada is not required to take a stand on every newspaper report, that aims to be sensational, of things said outside Canada by the statesmen of other countries.

COMBINES INVESTIGATION ACT

NEWSPRINT—STATEMENT ON REQUEST FOR INVESTIGATION INTO INCREASED PRICES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I was going to ask the Minister of Justice for the statement which, since he is on his feet, he is probably now going to make.

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, yesterday the hon. gentleman who has just taken his seat, namely the hon. member for Winnipeg North Centre, asked me the following question:

> In view of the recent increases in the price of newsprint will the minister ask the restrictive trade practices commission to investigate the circumstances of these increases and determine whether there are any elements of price fixing or restraint of trade?

By way of reply to that question may I say that since it is the practice of the director under the Combines Investigation Act to consider notable price changes with a view to making sure that they are not the product of collusion, it is not necessary for me as minister to ask the director to investigate the price changes in newsprint to which my friend the hon. member for Winnipeg North Centre has referred in his question. If there is any reason to suspect collusion, the director conducts an inquiry, but as the hon. members know, it is contrary to the usual practice to disclose whether such an inquiry is being conducted until the report is presented.

At this point I think I should emphasize the fact that the combines branch, of course, has no authority to regulate prices. Its function is to investigate those situations in which there is reason to believe that the firms in an industry are co-operating to keep prices above the level which current market forces would support. In a time of stationary or falling costs and demand, a general and uniform price increase would be regarded with suspicion. In the present time of rising costs and strong demand, such increases may be explained on the basis of ordinary market behaviour and are not in themselves evidence of collusion. On the basis of these price changes, therefore, the director does not feel he would be warranted in conducting an investigation.

When the director does not see fit to begin an inquiry on his own initiative, I can, of course, direct him to do so; but for the same reasons that he has given, I see no justification for taking such a course.

I think I should also say that no requests for an inquiry have been received by my department from any United States authorities.

SUGAR

REFERENCE TO REPORTED INCREASE IN WHOLESALE PRICE

On the orders of the day:

Mr. Marcel Boivin (Shefford): Mr. Speaker, may I direct a question to the Minister of Justice. Seeing that the wholesale price of sugar has risen sharply again in the last week, would the minister please inform the house whether this rise is the result of unfair practices or whether it should be due only to the world shortage?

Hon. Stuart S. Garson (Minister of Justice): In accordance with the practice to which I referred just a moment ago of noting price changes in various markets, the combines branch has been observing recent increases in the price of refined sugar. These price increases appear to be directly related to increases in the cost of raw sugar. It would appear that some variation exists in the degree to which the refiners in eastern Canada have increased their refined sugar prices. It would also appear that world raw sugar prices which started to advance in early November have advanced more rapidly and to a significantly greater degree than have the selling prices charged by the refiners. The combines branch does not, therefore, regard these present increases in refined sugar prices as significant in relation to the anti-combines legislation.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask a supplementary question. Would the minister say whether a study has been made of the price changes, samples of which I sent across to him in the November session, showing a

strange coincidence as to time and amount of increases by various sugar companies across Canada?

Mr. Garson: As I said on that previous occasion, Mr. Speaker, the information which my hon. friend sent across to us was no news at all to our department. We had had those figures probably before my hon. friend had them and have studied them as we do in all of these cases. When he refers to the strange coincidence in the prices, may I say that in this reply I have endeavoured not to draw too close attention to the inaccuracy of that assertion by my words:

. . . some variation exists in the degree to which the refiners in eastern Canada have increased their refined sugar prices.

In other words, they have not all reflected this increase to the same extent. But in order to give the house some impression, quantitatively, of the difference I might cite the case of one of the refineries. It is shown that the laid down cost of raw sugar in Montreal on November 1, 1956, was $5.04 per hundred pounds. On January 11, 1957, that had gone up $2.89 per hundred pounds to $7.93. This same concern has increased its net selling price of refined sugar during the same period by $2.42, or in other words some 46¾ cents less than the increase in the price of its raw sugar.

Mr. Knowles: May I ask the minister another supplementary question? Is he aware of the fact that the Manitoba Sugar Company, whose raw supplies are sugar beets grown in Manitoba, which they had last fall, has also raised its price by a similar amount?

Mr. Garson: Yes, and I presume my hon. friend will probably recall from his economics course in university, if he took one, that where the price of goods of this sort is fixed on the world market, and the cost at which the competitors of the Manitoba Sugar Company can lay down sugar in Canada rises to a certain level, then it is possible for Canadian companies, it seems to me, with complete propriety to charge the going price for their sugar, in the same way they would have to take a lower price if the world price went down.

Mr. Knowles: Mr. Speaker, I also learned in university that the combines legislation of this country was effective, but I now discover it is not.

Mr. Garson: With regard to that, I think the animadversion which my hon. friend has just put forward is unwarranted. As I pointed out before, the combines investigation branch does not purport, and has not power, to regulate prices. My hon. friend knows that in peacetime only a provincial legislature can authorize such a course. All the branch has power to do is to prevent collusion, and where there are market conditions which more than explain the increase in price it is quite difficult to suspect collusion.

Mr. J. W. Murphy (Lambton West): May I ask a supplementary question? Would the minister inform the house if the Manitoba refinery not only refines beet sugar but raw sugar?

Mr. Garson: I presume by that my hon. friend means raw cane sugar?

Mr. Murphy (Lambton West): That is right.

Mr. Garson: I am afraid I cannot accurately answer that. I know that at the time the company was organized it was entirely for the purpose of refining beet sugar. Whether or not the machinery could be adapted to the refining of cane sugar or whether they do, I do not know.

WATER RESOURCES

CHICAGO DIVERSION—DECISION OF UNITED STATES SUPREME COURT

On the orders of the day:

Mr. J. W. Murphy (Lambton West): In the absence of the Secretary of State for External Affairs, I should like to direct a question to his parliamentary assistant and perhaps he would take it as notice. It is in connection with the international waters between the United States and Canada and the recent decision by the United States supreme court permitting an extra flow of some 8,000 cubic feet per second through the Chicago drainage system. I ask the question in view of the fact that only recently President Eisenhower made a statement that he would not permit more water to go through that drainage system. Perhaps in making a statement the minister would comment on how it became possible for the United States supreme court to determine the flow of water through that system since it was our understanding, from a statement made by the Secretary of State for External Affairs, that this was a matter for the international joint commission.

Will the minister also make a statement—

Mr. Speaker: Order. Perhaps now that the hon. gentleman has asked several questions he could let the minister answer some of them soon.

Mr. Murphy (Lambton West): Would the minister comment on this question. Would our supreme court or any judicial body in this country be empowered to permit an extra flow of water to any part of Canada from these international waters?

Mr. Lucien Cardin (Parliamentary Assistant to the Secretary of State for External Affairs): I will be happy to take the hon. gentleman's question as notice and have an answer brought down as soon as possible.

INCOME TAX

RETIREMENT FUNDS—DEDUCTIONS BY SELF-EMPLOYED

On the orders of the day:

Mr. John B. Hamilton (York West): Is the Minister of Finance giving any consideration to changes in the Income Tax Act which would permit self-employed taxpayers to get the same deferment on personal contributions to retirement funds which now pertains to members of registered pension plans?

Hon. W. E. Harris (Minister of Finance): This has been the subject of consideration and discussion in the House of Commons, Mr. Speaker, for at least four years. I am sure that the answer should be that we are considering it.

Mr. Hamilton (York West): May I ask a supplementary question? Would the minister indicate whether it will be considered before the budget this year?

Mr. Harris: No, Mr. Speaker, I will not indicate that one way or the other.

POST OFFICE DEPARTMENT

OTTAWA—INQUIRY AS TO ELECTRONIC SORTING DEVICE

On the orders of the day:

Mr. W. M. Hamilton (Notre Dame de Grace): I should like to ask the Postmaster General whether or not the electronic sorting machine which his department designed, and on which a million dollars has already been spent, is now in regular service in the Ottawa post office?

Hon. Hugues Lapointe (Postmaster General): I may be wrong, Mr. Speaker, but my understanding from the last report I had just a few weeks ago was that it was installed in Toronto and was undergoing testing there.

TRANSPORT

INQUIRY AS TO CHARGE FOR ADMISSION TO AIRPORT BUILDINGS

On the orders of the day:

Mr. R. R. Knight (Saskatoon): I have not given notice of this question, but perhaps the Minister of Transport would get me the information. Has the Department of Transport authorized any of its employees to make a charge to the public for admission to any part of its transport administration buildings—I mean the upper part of airport buildings that sort of thing?

Hon. George C. Marler (Minister of Transport): I know there are some airports where there is a deck to which the public is admitted on the payment of a small charge, I think 10 cents. This is quite common at airports on this side of the Atlantic and also in Europe. I cannot say what is the situation, for example, at Saskatoon or any place in particular. I would have to investigate the question to be able to give my hon. friend an answer.

SHIPPING

STATEMENT ON REGULATION OF MOTOR PROPELLED CRAFT ON INLAND WATERS

On the orders of the day:

Hon. George C. Marler (Minister of Transport): On Monday the hon. member for Oxford asked a question concerning motor propelled craft on inland waters and I should like to give a reply to it now.

In order to obtain the opinions and suggestions of interested persons, a questionnaire was sent out to a large number of yacht clubs, power squadrons, canoe associations, fish and game clubs, provincial governments, manufacturers of boats, outboard motors, etc. and to editors of boating magazines, and to individuals who had expressed interest.

The replies to these questionnaires are now being analysed in the department, following which it is intended to call a meeting of representatives of organizations and other individuals who have expressed a wish to attend. It is hoped that as a result of this meeting it will be possible for the department to formulate the policy to be followed in the making of any new regulations.

In the meantime the minor waters navigation regulations, which provided a penalty for dangerous operation of motor vessels in the minor waters of Canada, have been amended to be effective in all Canadian waters and to increase the possible penalty from $200 to $500. The amended regulations cover the dangerous operation of any vessels or any water skis, surf boards, water sleds or other towed objects.

Mr. W. B. Nesbitt (Oxford): I have a question arising out of the minister's answer. Is it expected that these regulations will be drawn up and be in effect for the coming spring and summer season?

Mr. Marler: I think that would be the expectation but I cannot at this time confirm it because it would depend on the result of the meetings with the organizations to which I have just referred.

PILOT BOAT ACCIDENT, SAINT JOHN—INQUIRY AS TO DEPARTMENTAL RESPONSIBILITY

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Has the minister any further information regarding his department's responsibility in connection with the unfortunate accident that occurred off Saint John harbour between a pilot vessel and a freighter on Monday which resulted in the loss of seven lives? Is an inquiry to be made and when will the results be made known?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I am not in a position to make any statement with regard to the responsibility of my department for this very unfortunate accident. I do not think anybody knows what are the facts; but I would like to tell the hon. gentleman that one of the senior officials of my department has gone to Saint John in order to make the necessary inquiry into the accident.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Tuesday, January 15, consideration of the motion of Mr. R. F. L. Hanna for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Diefenbaker, and the amendment to the amendment of Mr. Coldwell.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I was very interested last Thursday to hear certain remarks made by the hon. member for York-Scarborough (Mr. Enfield). On that occasion he made the following statement, as reported at page 100 of *Hansard*:

> I know I can report very accurately that public opinion in my constituency, and I think everywhere in Canada, is enthusiastic in its acclaim of the stand taken by the Prime Minister and the Secretary of State for External Affairs in this crisis.

The word "crisis" of course, Mr. Speaker, refers to the crisis and the situation in the Middle East. Now, while the hon. member for York-Scarborough may be very well satisfied as to the attitude of the people of Canada generally on this matter, I for one would like to tell him—and I am sure many hon. members will also tell him—that the people are by no means satisfied or content with the stand taken by the government on this matter. More than that, there are a great many questions in the public mind which remain unanswered. It is for this reason that during my time in this debate I wish to deal with three matters concerning the foreign policy of this country.

[Mr. Marler.]

The first of these matters is, what is the keystone of our foreign policy? Second, we should have a clarification of certain attitudes of the Canadian government toward the United Kingdom and the commonwealth generally. The third matter has to do with certain matters relating to the United Nations emergency force.

As I say, the first matter is, what is the keystone of our foreign policy? The day before yesterday the Secretary of State for External Affairs (Mr. Pearson) pointed out that there are four factors that influence our foreign policy, and I think no hon. member in this house would disagree that these are certainly the four most important factors. They were, as I recall them, our relationship with the United Nations; our relationship with the commonwealth; our relationship with NATO; and our relationship with the United States of America.

The question that naturally arises is this: Which of these four cornerstones is the keystone of our foreign policy? In other words, on which stone does the security of Canada chiefly stand, since security is the aim of foreign policy? If the government has decided which of these factors is the strongest in effecting our national security, is it not foolish to pursue activities in other fields of foreign affairs that undermine the keystone of our security? For example, just recently we have had a conflict, an obvious conflict, of interests in our foreign policy. We have had the government taking a certain stand in the United Nations which had a very adverse effect on two of our chief NATO partners, namely, the United Kingdom and France. In any event, the government has not made it clear, I am quite sure, on which stone of these four cornerstones our security chiefly stands, and that is something which should be made very clear because it is bound to happen—it happened last October and November and is bound to happen again—that we are going to be faced with the dilemma of which horse to ride, on which base of our foreign policy we are going to rely. We are going to have to make a choice sooner or later. The making of the choice caused a great deal of trouble and embarrassment to the government last fall and may do so again.

While it is quite true that all four of these factors are important, there must be one of these factors, or a combination of one and another, on which our foreign policy must chiefly rely for our own security. I think the government should make this very clear; I think the people of Canada want to know just what it is.

It is undoubtedly the view of many people in Canada that our foreign policy must have two aspects: the long run and the short run. With respect to the long run, we recognize the United Nations is a body designed to expand among all the nations of the world the rule of law, mutual understanding and trust, and we certainly agree that we should accept our responsibility in furthering the achievement of those ideals. But I think we all realize, Mr. Speaker, that at the moment the United Nations still leaves much to be desired with respect to effecting Canada's national security.

We have all seen what happened in the Hungarian situation. The Russian government has absolutely refused to obey the wishes of the United Nations, and certainly at the moment the United Nations has no permanent force with which to enforce its decisions, whether they be decisions of the security council or of the general assembly. For that reason, Mr. Speaker, in so far as the short run is concerned, we cannot rely at the moment for our immediate security on the United Nations. This is an ideal which we must work for in the long run. We must try to achieve the ideals of the United Nations but, for the short run, we must rely on other places for our national security, namely, NATO and the commonwealth. I for one, Mr. Speaker, do not feel that we should do anything in the United Nations or elsewhere which would undermine and destroy our partners in NATO and I think there is very little doubt about that because it is on these two organizations that our national security chiefly relies at the present time.

I have no doubt that the Secretary of State for External Affairs (Mr. Pearson) who, unfortunately, is not in his seat at the moment, will reply to these remarks and say: We cannot have any broad principles; we have to deal with each situation as it arises. No doubt he will say that. That may well be the truth, Mr. Speaker, but we still must have guiding general principles and objectives on which to base our foreign policy.

The second matter that I should like to deal with is that of clarification of certain attitudes of this government toward the United Kingdom and the commonwealth generally. For some time the emphasis of Canadian foreign policy seems to have been on the United Nations, and I would almost say that the United Nations would seem to be the cornerstone of our foreign policy. Maybe it is. We will anxiously await an answer from the government. Then, we have heard, of course, a lot about NATO and our relationships with the United States. We have heard very little for a long time about our relationship with the commonwealth except, Mr. Speaker, for the last few days, because I think the government has now realized that certain decisions that were made last fall, despite what the hon. member for York-Scarborough said about the activities of the government, are not popular in Canada generally with respect to the problem in the Near East and Middle East.

I bring this matter up because certain questions have arisen in the public mind as to what the attitude of this government really is to the commonwealth and the United Kingdom. In this respect, Mr. Speaker, I should like to refer to the January 14, 1957 issue of *Life* magazine. I might say that I do not always by any means agree with editorials that appear in *Life* magazine or *Time* magazine, but nevertheless these are very large publications, with great sources of information at their disposal, and they are considered by many to be very reputable and authoritative magazines.

The editorial in *Life* magazine is headed:

Who Stopped the Suez Invasion?

In other words, why did France and Britain withdraw? I quote from the editorial:

As for Eden's motives, one among many was conclusive: he received a concrete threat that the British Commonwealth would be dissolved within a matter of hours—and dissolved permanently—unless the fighting was stopped. India and Ceylon were particularly insistent; Canada only a little less explicitly threatening.

That is the kind of thing, Mr. Speaker, that cannot help but raise doubts in the minds of the people of Canada. When a publication such as *Life* magazine, with great sources of information, comes out flatly with a statement like that, I think it most certainly should be replied to by this government; otherwise the people of Canada cannot help but entertain the gravest doubts concerning just what are the government's policies. I am sorry to say it, Mr. Speaker, but this article in *Life* magazine cannot help but be given certain support by the attitude the Prime Minister (Mr. St. Laurent) took in the house last November 26. The remarks made by the Prime Minister on that date have been referred to by many hon. members in this house. At that time he categorized the activities of the British and French in the same way in which Russian activities can be categorized and his now famous remarks about the supermen of Europe revealed the Prime Minister's ill-concealed delight concerning the trouble in which Britain and France found themselves. Such attitudes cannot help but give rise to editorials such as the one carried by *Life* magazine.

On November 26 last, the same date, in reply to a question which had been proposed by the present Leader of the Opposition (Mr. Diefenbaker) with respect to an exchange of correspondence between the Prime Minister and the then prime minister of Great Britain, the Right Hon. Sir Anthony Eden, the Prime Minister refused to disclose the content of his message. Finally as a result of questioning in the house the Prime Minister read the correspondence he had with the Right Hon. Sir Anthony Eden. The letter which was read into the record appears at page 23 of *Hansard* for November 26 last and I do not propose to take the time of the house by reading it now because hon. members can refer to it. It is quite clear from that letter, however, that the Prime Minister virtually requested Sir Anthony Eden not to give him permission to disclose the content of their exchange of correspondence. The reasons for this can best be judged by the people themselves when they read the record.

The reluctance of the Prime Minister concerning making public this exchange of correspondence is a very strange thing because President Eisenhower had no hesitation in making public the message he sent to the Right Hon. Sir Anthony Eden, but apparently the Canadian Prime Minister was not anxious to do so despite the fact that he denied there was a shred of truth in the alleged fact that he sent a stinging rebuke to Sir Anthony Eden over the activities of the British in the Suez area. For this reason one question must be uppermost in the minds of most people and it is this. Just what is Canada's position in relation to the commonwealth. Canada's support of the Asian bloc of the commonwealth as against the United Kingdom, which is one of our principal allies in NATO and one of the principal cornerstones of our immediate security in the world, suggests a conflict of interests on the part of Canada which cannot help but arouse suspicion, doubt and wonder in the public mind.

I would also like to deal with the matter of the United Nations emergency force. This is going to consume a number of minutes and I hope I will be able to complete my remarks in the remaining time allotted to me. Since the government of Canada has accepted credit for establishing this United Nations emergency force, the government must also accept the responsibility in very large measure for the results that have been achieved by this force.

The first question I would like to ask is this. What are the objectives of this force? I will briefly refer to the Canadian resolution of November 4 last which reads as follows:

> Requests, as a matter of priority, the secretary general to submit to it within 48 hours, a plan for the setting up, with the consent of the nations concerned, of an emergency international United Nations force to secure and supervise the cessation of hostilities in accordance with all the terms of the aforementioned resolution.

The words "aforementioned resolution", of course, refer to the cease-fire resolution and to its proposal at the United Nations. Has this resolution achieved its purpose? I would say yes; in one sense of the word and to the extent that the hostilities have ceased in Egypt, the United Kingdom and French forces have been withdrawn and fighting, at least for the moment, has stopped. But, and there is a very large "but", has not the plan which was submitted by the secretary general tended to do three things in addition to that? These are as follows: (1) To humiliate, cause loss of prestige and injury to the United Kingdom and France, two of our most important NATO allies. (2) To place Egypt in a position to dictate to the United Nations and thus greatly enhanced the prestige and power of Nasser in the near East—Nasser being the avowed enemy of the West. (3) As a result of the first two items I have mentioned it has made the ultimate solution of the mid East and near East problems just as difficult as they were before and in fact has probably rendered them more difficult, thus increasing the danger to world peace.

In this regard I would like to refer very briefly to the remarks made by the hon. member for Kamloops (Mr. Fulton) yesterday in this house. I do not intend to repeat them because they can be found in *Hansard* of Tuesday, January 15 at page 236. It was very well pointed out by the hon. member that the United Nations force had unquestionably been subject to dictation from Egypt. I do not intend to repeat the hon. member's remarks because they have already been placed on the record, but I would point out they have not as yet been denied. However, there is another matter which I think is just as important a reference as that made by the hon. member for Kamloops. In his remarks the hon. member for Kamloops referred to a recent editorial in the New York *Times* and I would like to refer to a publication which a great many hon. members of this house receive. I refer to the Commentary on Foreign Affairs which is issued by the Commonwealth Parliamentary Association. I have in my hand the issue covering the period from September 15 to November 30, 1956. It refers to the situation in the Near East and at page 8 the following appears:

> There followed Mr. Hammarskjold's visit to Cairo to make practical arrangements about the stationing of the police force (now styled U.N.E.F.) about communications and supplies—and to discuss with President Nasser its functions and the measures to be taken for clearing the blocked canal. The original resolution of 2nd November had specifically

stated that "upon the cease-fire being effective, steps be taken to reopen the Suez canal and restore secure freedom of navigation". In the proceedings on 7th November, however, when a further resolution was passed, the secretary-general committed himself to the idea that the general assembly "could not request the force to be stationed or operate on the territory of a given country without the consent of the government of that country", an idea for which there is no warrant in the U.N. charter. It meant, as indeed the secretary-general's report to the ordinary general assembly showed, that Colonel Nasser was virtually allowed to make his own conditions. Thus, first, Egypt laid down certain rules as to the composition of the force: no Canadian army regiments because their uniform and military appearance would look too much like British troops, no contingent from Pakistan as a signatory of the Baghdad Pact, and so on.

I cannot help but feel that this house and the people of Canada have been at least partially misled by the government with respect to the purpose of this force. I would like to refer to a speech made by the Secretary of State for External Affairs (Mr. Pearson) on November 27, 1956 as reported at page 61 of *Hansard*. At that point the Secretary of State for External Affairs said:

The function of this force which is now in being is to secure and supervise the cessation of hostilities, as I pointed out this morning, and carry out its task in accordance with directions received from the United Nations, not from any one member of the United Nations.

Further on he said:

The most important function is, of course, the policing of the zone between opposing forces in Egypt in order to prevent the recurrence, if possible, of the fighting.

He continued:

This force will stay in Egypt until the United Nations decides that its functions are discharged,—

And so on. Then the Secretary of State for External Affairs continues a little later, as found on page 61:

But that does not mean, as I understand it—and I assure you, Mr. Speaker, this has been made very clear in meetings of the advisory committee—that Egypt or any other government can determine by its own decision where the force is to operate, how it is to operate or when it must leave. Furthermore, the right of Egypt to consent to the admission of a United Nations force to its territory does not imply the necessity of consent to the admission of, or the right to reject, separate units or elements of that force. That is a stand, Mr. Speaker, which the Canadian representative on the advisory committee has taken.

Then the Secretary of State for External Affairs elaborates on that at some length. There is one thing that I think must be very clear to almost anyone and that is that the secretary general of the United Nations and apparently our Secretary of State for External Affairs have taken the attitude, and I think wrongly so as I will show in a moment, that the consent of Egypt had to be obtained to station troops there, that this consent was a mere something that just had to take place at one moment of time and that if they once got consent they could put a force into the country, put it wherever they liked and do what they liked. That, Mr. Speaker, is plainly ridiculous.

Consent obviously implies a continuing state of affairs, not just one isolated consent obtained from Egypt. It is a continuing consent that is required. In other words, if, after certain troops had arrived, Egypt had said that she did not approve of them, would not have the United Nations force there any more and withdrew her consent, in view of what has been said by Mr. Hammarskjold and our Secretary of State for External Affairs the United Nations could not do anything else except withdraw the force if it did not continue to suit Egypt.

I repeat that consent is a continuing state of affairs, not just one isolated incident where you say to somebody that they can go ahead and do something. Clearly that is not what happened at all. It would be ridiculous to suggest that consent meant anything else. The secretary general of the United Nations, so far as can be seen, did misinterpret the purpose of the United Nations resolution of November 2 when setting up his plan, thus placing Egypt in a very favoured position. The plan devised by the secretary general and indeed the whole attitude of the United Nations seemed to sympathize with Egypt and thus placed the United Nations in a position of adjudicating upon the rights and wrongs of the situation, which it most certainly should not have done under the terms of the resolution.

The United Kingdom, France and Israel removed their troops and obeyed the United Nations, and these countries now have little or no voice with regard to the disposition, make-up or anything else concerning this special emergency force whereas in fact Egypt most certainly does. I should like you to inform me, Mr. Speaker, how much time I have left.

Mr. Deputy Speaker: The hon. member's time will expire at 4.02.

Mr. Nesbitt: Thank you, Mr. Speaker. I should like to show the members of the house in some detail how the secretary general of the United Nations has erred in his interpretation of the way in which this force was to be established and also how, as I have already mentioned, this house was more than slightly misled by the government as to the function and purpose of the force. First of all, Mr. Speaker, I should like to refer to the original resolution passed by United Nations on the 2nd of November, 1956. I will not read the whole resolution. If any hon. members wish to get it, they

can obtain it in the same way I did. I will read the cogent parts of it. The general assembly, after expressing its grave concern over developments in the Near East, went on to say:

1. Urges as a matter of priority that all parties now involved in hostilities in the area agree to an immediate cease-fire and, as part thereof, halt the movement of military forces and arms into the area;

2. Urges the parties to the armistice agreements promptly to withdraw all forces behind the armistice lines, to desist from raids across the armistice lines into neighbouring territory, and to observe scrupulously the provisions of the armistice agreements.

The armistice agreements referred to are the armistice agreements between Egypt and Israel made in the past. Then it goes on:

Urges that upon the cease fire being effective steps be taken to re-open the Suez canal and restore and secure freedom of navigation.

As I have already mentioned, Mr. Speaker, a couple of days later Canada introduced a resolution which I have already read but I will read it again as it is very short:

Requests, as a matter of priority, the secretary general to submit to it within 48 hours a plan for the setting up, with the consent of the nations concerned, of an emergency international United Nations force to secure and supervise the cessation of hostilities in accordance with all the terms of the aforementioned resolution.

Later on the secretary general of the United Nations submitted a report as to how the force would be made up, and I will refer to that in a moment. The final resolution which Canada supported is a rather lengthy one and it deals, of course, with the establishment of this force. There are two parts of it which I think are very cogent and should be referred to. They are found on page 2 of the resolution and this of course refers to the general assembly of the United Nations.

1. Express its approval of the guiding principles for the organization and functioning of the emergency international United Nations force as expounded in paragraphs 6 to 9 of the secretary general's report;

2. Concurs in the definition of the functions of the force as stated in paragraph 12 of the secretary general's report.

Then it goes on in more detail setting up the force, but the important parts are the two to which I have just referred. Let us see for a moment what paragraphs 6 to 9 and paragraph 12 of the secretary general's report contain. What they contain is very interesting indeed and certainly not what the people of Canada or hon. members of this house expected the function of the force would be. Paragraph 9 of the secretary general's report reads as follows:

Functioning, as it would, on the basis of a decision reached under the terms of the resolution "Uniting for Peace", the force, if established, would be limited in its operations to the extent that consent of the parties concerned is required under generally recognized international law. While the general assembly is enabled to establish the force with the consent of those parties which contribute units to the force, it could not request the force to be stationed or operate on the territory of a given country without the consent of the government of that country.

That, Mr. Speaker, is the interpretation that was objected to by the very capable and very able writer for the commonwealth parliamentary association. Then it goes on further and says:

The point just made permits the conclusion that the setting up of the force should not be guided by the needs which would have existed had the measure been considered as part of an enforcement action directed against a member country. There is an obvious difference between establishing the force in order to secure the cessation of hostilities, with a withdrawal of forces, and establishing such a force with a view to enforcing a withdrawal of forces. It follows that while the force is different in that, as in many other respects, from the observers of the truce supervision organization, it is, although para-military in nature, not a force with military objectives.

In other words, it is a military force if necessary, and I think, Mr. Speaker, you realize what will follow from that—not necessarily a military force. It is a very strange force indeed. It is interesting to note that the secretary general said that it was different from the observers of the truce supervision organization but it was not a force with military objectives.

Then, paragraph 12, which the United Nations general assembly also approved, is even more interesting. I will only read the last part of it. Perhaps I should read the whole paragraph so that I will not be accused of quoting something out of its context. Paragraph 12 reads as follows:

In the General Assembly resolution the terms of reference are as already stated "to secure the cessation of hostilities in accordance with all the terms" of the resolution of 2 November 1956. This resolution urges that "all parties now involved in hostilities in the area agree to an immediate cease-fire and as part thereof halt the movement of military forces and arms into the area"; and also "urges the parties to the armistice agreements promptly to withdraw all forces behind the armistice lines, to desist from raids across the armistice lines into neighbouring territory and to observe scrupulously the provisions of the armistice agreements."

These two provisions combined indicate that the functions of the United Nations force would be, when a cease-fire is being established, to enter Egyptian territory with the consent of the Egyptian government in order to help maintain quiet during and after the withdrawal of non-Egyptian troops and to secure compliance with the other terms established in the resolution of 2 November 1956.

Now, Mr. Speaker, how the secretary general could draw that conclusion from those two statements I do not know. But apparently he did. The paragraph continues:

The force obviously should have no rights other than those necessary for the execution of its

functions, in co-operation with local authorities. It would be more than an observers' corps, but in no way a military force temporarily controlling the territory in which it is stationed; nor, moreover, should the force have military functions exceeding those necessary to secure peaceful conditions on the assumption that the parties to the conflict take all necessary steps for compliance with the recommendations of the general assembly.

Once again we have this situation: it is a military force, but it is not a military force. These terms were certainly never communicated generally to the people of this country; they were not conveyed in the remarks of the Prime Minister in the speech he made during the emergency session we had last fall, nor in the remarks made by the Secretary of State for External Affairs. I do not think the impression was ever given that this force is not a military force at all and is, in fact, little more than an observer corps.

Just how the secretary general reached the conclusion he did, I do not know. I contend that the secretary general was wrong in saying that the consent of Egypt had to be obtained before this emergency force could be sent in. It is very interesting to read the resolution "Uniting for Peace" which was passed in the fall of 1950. The resolution is in two parts. After a long preamble it says:

A. Resolves that if the Security Council, because of lack of unanimity of the permanent members, fails to exercise its primary responsibility for the maintenance of international peace and security in any case where there appears to be a threat to the peace, breach of the peace or an act of aggression, the general assembly shall consider the matter immediately with a view to making appropriate recommendations to members for collective measures, including in the case of a breach of the peace or act of aggression the use of armed force when necessary, to maintain or restore international peace and security.

Here was clearly a case of a breach of the peace, and in that case under the terms of the resolution it would certainly appear to me that there was clearly a case for the United Nations General Assembly to put troops in under any terms it saw fit. There is nothing in this resolution about asking the consent of the country concerned.

I know that the processes which go on at the United Nations are very complicated and that there may be other factors of which I am not aware which may affect the position. It is possible that this resolution itself relies on other things. If it does, I would like to hear an explanation.

A little further on there is a further paragraph B which deals with the establishment of a peace observation commission, as follows —I quote in part:

Upon the invitation or with the consent of the state into whose territory the commission would go, the general assembly or the interim commission when the assembly is not in session, may utilize the commission if the Security Council is not exercising the functions assigned to it by the Charter with respect to the matter in question. Decisions to utilize the commission shall be made on the affirmative vote of two-thirds of the members present and voting. The Security Council may also utilize the commission in accordance with its authority under the Charter.

It may just be possible, since the secretary general of the United Nations envisages this emergency force as a sort of observer corps rather than as a military force, that he presumes it cannot be sent into the country without consent; it may have suggested itself to the secretary general that since this force is in the nature, rather, of an observer corps it should come under the terms of paragraph B of the Uniting for Peace resolution which establishes the peace observation commission.

I think, Mr. Speaker, that an impression was generally received to the contrary. The resolution originally passed sets out that this was a force intended to go in and maintain order, and was not intended as an observer force. I cannot see how the secretary general of the United Nations could possibly have drawn the interpretation that it needed the consent of Egypt in order to function. If an explanation could be given to me I would be glad to know, because, Mr. Speaker, I must say this: that since this unhappy state of affairs has arisen in the world, the position of the Canadian government has been questioned at home and abroad particularly in the light of what I have already said, namely that I think this special force—the setting up and arrangement of this special force—has caused damage to Britain and France, our important allies in NATO, made Nasser cockier than ever and, ultimately, made the solution of the problem in the Middle East much more difficult, indeed, almost impossible. The whole question should be taken very seriously indeed. Why did not the government of this country foresee this unhappy trend of events which was to be expected if Nasser were put in the position of being able to dictate terms to the United Nations with respect to the emergency force?

It is quite understandable that the Secretary of State for External Affairs had to face grave and confusing problems. I think we would all agree that he was doing his level best with regard to the situation. Possibly he may have overlooked some of the factors which I have been bringing to your attention, but surely some of the high-priced help down there with him should not have overlooked them, and the only conclusion we can reach is that the Canadian delegation did not foresee these events, or else—and I would dislike to draw this conclusion—that the Canadian government was working with Egypt, the

United States and others to the detriment of the United Kingdom and France.

All these matters that I have raised have caused much concern and worry to the people of this country and I think they require an answer. I hope the Secretary of State for External Affairs, when he returns from the United Nations, or alternatively the Prime Minister himself will deal at an early date with the points I have raised because these are questions of great public concern.

Mr. F. T. Fairey (Victoria, B.C.): Mr. Speaker, my first and pleasant task is to offer words of congratulation to the hon. member for Edmonton-Strathcona (Mr. Hanna) and the hon. member for Gloucester (Mr. Robichaud) on the competent job they did in moving and seconding the address in reply to the speech from the throne. May I at the same time extend congratulations to the hon. member for Prince Albert (Mr. Diefenbaker) on his elevation to the important office of leader of Her Majesty's official opposition. I know what a tremendous task he has undertaken, and I wish him well.

Mr. Speaker, it is my intention to devote the greater part of my time to a report on the activities of the Canadian delegation to the UNESCO conference which was held in New Delhi, but before doing so there are one or two matters which have been mentioned in the speech from the throne and on which I would like to offer some comments. After all, we are supposed to be debating the speech and the amendments to the motion and perhaps it is necessary to justify one's time here by doing just that. I am grateful for what the speech contains and hopeful for what it does not contain.

First of all, the fact that we are to amend the Municipal Grants Act will bring some relief and help to at least two of the three municipalities in my riding. The city of Victoria itself and the municipality of Esquimalt will get considerable relief in their municipal expenditures.

Then the longed-for establishment of the Canada Council is something which pleased me greatly because one of its duties or that of one of its committees is to undertake the task of acting as a national commission for UNESCO. It might interest hon. members to know that of the 80 member states of the UNESCO organization, until a few months ago only three were without a national commission.

Another point mentioned in the speech from the throne is the proposal to grant federal aid to technical education. For me that is the most significant item in the address. On every possible occasion, I think every time I have spoken in this house, I have urged that something be done for that class of workers who should comprise the skilled artisans. As I have pointed out on other occasions, in our training program there is a great gap between, on the one hand, general secondary education and, on the other hand, university education for those who are entering professional ranks. In between those two groups we have large numbers, in fact the vast bulk of our population, who ultimately are to provide the trained workers, the skilled workers, the artisans. The training facilities for them, up to now, have been extremely inadequate. I am therefore greatly pleased to note that the federal government is to increase the grants which formerly were given for this purpose.

While I rejoice that the universities are to be treated so generously, it is my hope that when the sum of money which is to be assigned to technical education is announced it will be equally generous, or at any rate generous enough to indicate that this problem is to receive significant attention. This perhaps might be a bombshell but it has always been my hope, and it still is, that some day the federal government will take over the complete responsibility for technical education, and that some day the federal government will build several technical colleges throughout this country so we may be given the opportunity to train the unskilled workers and make them into real artisans, and not be obliged to continue to rely on immigration for our trained supervisory personnel. Up to now that has been the rule in Canada. We need to give to our own Canadian people the opportunity to be trained to occupy those positions.

I know that in the preliminary report of the Gordon commission—and I know it is only a preliminary report—this subject is touched upon at pages 108 and 109, but there is not much there; it is treated rather casually. As a matter of fact, what is in it might just as well have been copied from any of the annual reports of the Department of Labour. In fact there is a fuller report in the latest issue which hon. members will have received, namely the annual report of the Department of Labour of March 31, 1956. It devotes several pages to this highly important matter. When the full report of the Gordon commission comes out I hope it will be found that they have given more adequate treatment to this subject and have made certain definite recommendations in that regard.

Since I mentioned immigration and the matter of immigrants, I think it is only fair that I should say a word about the activities

of the Minister of Citizenship and Immigration and commend him for his prompt action in going to Austria and making arrangements for the early entry into Canada of such a vast number of Hungarian refugees. It was something that I think the whole country applauded when our minister acted so promptly, and I hope he will receive the necessary recognition.

We assembled for this session, some of us with difficulty, at the time of the C.P.R. strike. Our transportation system throughout the country being disrupted as it was, the economy of the whole nation was affected. It is encouraging to know that this strike is over. I think that has come about owing to the wisdom and foresight of our Prime Minister who no doubt used his charm as well as his tact in bringing together the parties to the dispute, and who was not hurried into precipitate action. We are all highly gratified that the matter has been settled in a way which we hope will become permanent.

Having said all that, Mr. Speaker, I wish to spend the rest of my time talking about the ninth general conference of UNESCO which was held, as I said before, in New Delhi, India. It was my good fortune to be a delegate from Canada to this conference. The conference was held in November and part of December. I wish to thank the Prime Minister and the Secretary of State for External Affairs for giving me the opportunity to go there and increase my knowledge of other people, to widen my horizons and to join with my colleagues in making what I think was a significant contribution to the work of the association.

This association is one of the instruments of peace. UNESCO—the United Nations educational, scientific and cultural organization—is ten years old. It now includes 80 member states. At the conference, which opened with 77, three new ones joined, namely Finland, Morocco and Tunisia, so now there are 80 member states. That fact is rather significant, when delegates from practically every nation in the world meet together and join in friendly discussion. It exists because its members believe that the way to peace is by fostering a more complete understanding of one another, and that this objective can be achieved through education, science and culture. When one attempts to assess the value of this vast and sprawling organization—and that is what it is—and is inclined to be critical of its apparent slow progress, one should remember that the road to peace is rough and thorny, and that the nations of the world have different traditions, different religions, different backgrounds and different customs; in fact, they are different. That fact is something to remember.

Here I want to say also that one of the important duties of the members of a delegation is to get to know the delegations from other countries. That is why so much importance is attributed to informal meetings, and we had many of them including group meetings at lunch time, in hotel rooms, at receptions, and informal consultations. That is where you get to know people. It is there that one gets to know that people have different approaches to the same problem, and learns to be tolerant. That is why I so greatly appreciated what the Prime Minister said in his speech on Wednesday last. You will find it Mr. Speaker, in *Hansard* of January 9 at page 33, at the top of the page in the left hand column:

> I think this is something that we all have had to learn. Human nature and the essential aspirations of human nature are very much the same all over the world, but the background against which you have to place the attitudes of different people must be the background of their own civilization. . . .

That statement touched a responsive chord, because it took me back to New Delhi and reminded me of the different races and the different people we met there and the strange —to us—attitudes that some of them took on some of the problems we were discussing. The delegates—and I should name them, of course—were as follows. We had Leonard W. Brockington as chairman, and I wish to say something more about that fascinating gentleman in a moment or two. As deputy chairman we had His Excellency Mr. Morley Scott, the Canadian high commissioner to Pakistan; Senator Donald Cameron, former director of extension of the University of Alberta and still the director of the Banff school of fine arts; Mr. Lionel Bertrand, the hon. member for Terrebonne, Quebec, and my colleague in this house, and myself. Let me say that there was absolutely no difference between the delegates and the alternates with respect to the duties which were involved. We shared the duties quite fairly among us.

The alternate delegates, then, were Mrs. Florence Bird, whom everyone knows under the name of Anne Francis, the distinguished radio and press commentator; Dr. Leon Lortie, one of the distinguished chemists from the University of Montreal; Professor Jean C. Falardeau, head of the social science department, University of Laval; Mr. Freeman Stewart, executive secretary of the Canadian education association and Mr. John Parkin, a distinguished Toronto architect and president of the Canada arts council. So you see, Mr. Speaker, the delegates were chosen, with the exception of myself, of course, rather

wisely because they represented the various aspects of the work of UNESCO, the various sciences, arts and cultures.

Mr. Martin: So does the hon. gentleman.

Mr. Fairey: We also had with us Miss Mary Dench of the Department of External Affairs and Mr. Mel Clark, whom we called the financial watchdog from the Department of Trade and Commerce and who is now stationed in Geneva. Miss Dench has been responsible for some time for all UNESCO matters in the Department of External Affairs. She is a most competent person and an indefatigable worker. Sometimes I thought she should ease up and play a little bit but she would not do it. I would say this, that she contributed to a remarkable degree to whatever reputation for competence the Canadian delegation had. The same is true of Mel Clark. He knows his way about international conferences, and he had no hesitation in looking for new paths to information which would be of value to us. He is a very competent person.

Anyone who knows Morley Scott, who I am glad to say is a graduate of the University of British Columbia, will not expect me to say much more than that he was an admirable second in command. He was cool, shrewd and wise, and his advice was invaluable. Finally, we had that most charming person, the high commissioner to India, Mr. Escott Reid. He did everything imaginable for us to make our stay in India enjoyable. He saw to it by arranging luncheons, dinners and so on, that we met particular people, people from all over the world and particularly people from India; people we ought to get to know if we were going to do a good job. He finally gave a most illuminating briefing based upon his intimate knowledge of India and the Indian people. He is a great Canadian.

The government of India made splendid arrangements for the conference. They built, if you please, a special hall, a vast place called—I have to consult my notes to pronounce it—Vigyan Bhavan, which is in the form of a theatre with a large stage, a big proscenium arch and a vast sloping floor. Provision was made for simultaneous translation into the four official languages. In addition there were two large conference halls also equipped for simultaneous translation. There were also the committee rooms.

Now, Mr. Speaker, it was a fascinating experience, and one is tempted to continue with a description of the people, of the many things we saw and places we visited, the sights and sounds of New Delhi and the surrounding district; all the things they have, but mostly the things they have not. However, I must report on the conference itself. We met as a delegation every morning and sometimes during the lunch hour to go over the agenda for the day, decide on the policy we would adopt, what was to be said and who would say it. We met frequently to report. We were all given special tasks; that is, the tasks of attending various meetings were divided amongst those whom we thought were most competent to attend particular discussions. For my sins I was allotted the exchange of persons, technical assistance and administration. Mr. Freeman Stewart, who is a distinguished educationist, was on elementary education; Mrs. Bird was on mass communication, and so on. We were dodging about from meeting to meeting as the various subjects came up for discussion.

First of all, at this conference there were a number of plenary sessions which all attended. Then after that the conference broke up into two main commissions, the administration commission of which I was a member along with several others, including Mr. Scott, Mr. Clark and others who came in as their subjects were called, and the program commission. You see, therefore, how simple the organization is; and it works simply, in that one group of people are discussing items which are proposed as projects for the ensuing two years and the other group are discussing how they are going to meet the expenditures. It is in these two commissions that the detailed work is done. I shall describe it, perhaps not fully but in a little more detail later.

I want to return now to the first plenary session and the first day or two. Here, Mr. Speaker, I am trying to give hon. members an idea of the atmosphere and the change of attitude one gets as one discusses various matters. The conference opened at the time of the Suez trouble, which has been discussed by the hon. gentleman who preceded me. It was not a happy time for us. We had practically no information. Every morning the Indian papers were full of scathing editorials condemning the British and the French. Everybody was rather tense, particularly when the conference opened with a speech by the Indian minister of education, who was not too kind in his remarks about what he called the aggressors. As hon. members know, at conferences of this kind the speeches of welcome are sometimes described as blah, blah, but these were not. They were rather nasty from our point of view, and particularly when member after member from the Latin American countries, Egypt, Brazil, the south Asian countries and Russia went one after the other to the podium and repeated the same stuff. We sat there and took it. It was not a very happy time for the United Kingdom delegation, for any of us for that matter. The point I am trying to make is that I am not

blaming them one little bit. It was a time of tension, and people were speaking without too much thought.

However, the atmosphere was charged with something that should not have been present at a conference on education. It was recognized by some that this was no place for discussing the Suez matter. The place for that was in the United Nations itself, not in a conference supposed to be devoted to greater understanding through science, education and culture. Therefore it was in that atmosphere that the delegate for Canada was called upon. Of course Canada enjoys a great reputation. I am sure every hon. member in this house will agree that we enjoy that reputation because of the magnificent work of our Secretary of State for External Affairs. Although I do not like to say it in his presence, the Minister of National Health and Welfare also has contributed to it to a degree. There is no doubt about it, wherever you go in this world the name of Mike Pearson is known. It was because of that fact, and because of the unique position of our country, that when the delegate for Canada was called upon he had added importance.

So Mr. Leonard W. Brockington rose. Most of you know him and know what a fine speaker he is, with a wonderful command of English and a knowledge of how to put it together. Of course he looks a little imposing, because everybody knows he is crippled. He was helped to the podium, and the place was hushed. He made a magnificent speech. Well, perhaps I was prejudiced, because I arrived at a close friendship with him. I am positive that all who were there will agree that he raised the tone of the conference and brought it back to where it should be. If I might I should like to read just a couple of extracts from what he said. He commenced by paying the usual compliments and reciting the purpose for which UNESCO existed. Then he said, speaking about the tensions that then existed:

> Above all liberties, said one of the world's greatest voices, is the liberty to know, to utter and to argue freely according to conscience. Perhaps we can all take some comfort from the knowledge that even today no stronger criticism of the disputed policy of the British government, no freer or more vigorous denunciation of its dangers has anywhere been spoken or written than in famous British newspapers freely published in Britain itself, in public meetings freely assembled in Britain, in earnest debates freely held in a free British parliament and wherever men gather in Britain to hammer out the truth on the anvil of free discussion.

And I may say, and perhaps not without malice, that he emphasized the word "free" every time he used it. I have another extract and this will be the last although I had intended to read more. He said:

> We in Canada who are the beneficiaries of the gifts of so many other peoples believe that there is only one race in the world which is really important and that is the human race. We are determined to pay with reverence our debt to humanity.

While I pay this tribute to our leader, I do so because I am convinced that he prevented the conference from getting off to a bad start.

Because of our reputation much was expected of us, so much so that later, when the session was all over and it was decided to have a final plenary meeting, with one speaker to speak for each of the four groups of nations, all those who spoke English combined to request that Mr. Brockington be the speaker for the English-speaking peoples, and he then made another magnificent speech which was the envy of all and which has been demanded by the press of the world.

Another thing that perhaps stemmed from Canada's reputation, and perhaps from our own good work, was the fact that when they needed a rapporteur for the great and important program provision they asked Canada to supply one, and it was most competently dealt with by Senator Donald Cameron.

To give the house some idea of the importance of this and what our attitude to it should be, I should like to say something about the resolutions at one of the plenary sessions. The director general of the secretariat prepared a program which they proposed to put into effect in the succeeding two years, and alongside it they had the budget, which was an estimate of its cost. That was placed before the conference. It had already been circulated to member states, and we had the right either to amend it or to pass it. But then, out of the blue, came a resolution from the floor that the budget be increased by $1 million. It was already up to nearly $1 million, but the resolution from the floor was to the effect, just let us have another $1 million.

Now, we were astounded because we are not used to doing things that way. We usually want to know what it is for. By the way, France seconded it. The question was, why do this now? The secretary general has not asked for it. My attitude, as an old civil servant would be, no; let us decide whether we have something that is worth doing and then get the money for it, and not get the money first and try to find some way of spending it.

There was a long discussion, but it was passed. It was passed because of the principle of one nation, one vote. The vote of Monaco is just as strong as that of the United States, which pays 30 per cent of the total cost of the

budget. I think Mr. Clarke, who is our financial adviser, told me before I left that the votes of those who supported the resolution were by people who paid only 15 per cent of the cost of the UNESCO program. However, it was passed immediately. I think there were 130-odd resolutions from the floor, all pressing various projects which were not in the program, and most of which were passed.

I said I was going to say a word or two about the two commissions. First of all there was the administrative commission which deals with all questions relating to the budget, the staff of the secretariat, the salaries and the financial and business administration of UNESCO organization. Then there was the program commission, which deals with all the projects, technical assistance, fundamental education, mass communication, all these things, and the individual projects all over the world. They decide which are valuable and which are not, and they pass them. At the end of the conference these two commissions meet together to try to get some kind of agreement between the two, and I may say that we did not get much agreement because so many projects were passed that the budget just would not meet them. It was then left to the executive to decide. I shall come to that again in a moment.

There is a belief in Canada and elsewhere that UNESCO needs overhaul. The attitude of Canada was that the administration was slack, and we emphasized need for greater efficiency. We stated that in all our work here we are used to expecting a reasonable degree of efficiency and integrity in everything we do with public funds, and we would like to see that in the UNESCO organization, but we were not quibbling particularly about the cost. We were prepared to be reasonably generous but we insisted that what funds were voted be wisely spent. We suggested, as did others, that UNESCO should concentrate on a few large projects. That does not necessarily mean two or three but a few well thought out projects which were designed to further the aim of UNESCO, which is mutual understanding, and not to dissipate its energies on a variety of projects all over the world. And so we either presented appropriate resolutions in the appropriate commission, or we supported those that were made by others.

The main resolutions for which we were responsible were first of all—and here I was going to use a slang expression but I will not use it in *Hansard*—

Mr. Martin: It is a good one.

Mr. Fairey: We did not get it through but we got a modification of it. We proposed that we call in a firm of business consultants to examine the procedures in the secretariat itself. This was not in any way criticism, because we know the difficulties; when you try to harmonize the views of representatives of 80 member countries, you have a job on your hands. And so we said, "You have existed for 10 years and it might be that somebody from outside might be able to point out more efficient ways of doing things"; but the secretary general did not buy that. He would not accept a firm of business consultants at all.

What we finally passed was a watered-down resolution. I must say that Mr. Clarke was mainly responsible for this one, although I had to do some of the talking on it. We finally got it through in this form. A number of business experts would be borrowed from a number of member states, not too many, who were not connected with the organization of UNESCO, and they would do this survey job on the secretariat.

I neglected to mention that the next conference two years hence will be held in Paris, and in all likelihood all future conferences will be held there because they now have a permanent home. There was much criticism throughout the conference concerning the cost of the new building which is nearing completion in Paris. The building apparently cost more than was estimated. Mr. Parkin, who was the delegate responsible for this subject, offered a good deal of criticism of the methods used in granting contracts and paying commissions and in authorizing extras. We did not get very far, but at any rate we let them know there were people watching it.

I have already told you there were over 100 resolutions from the floor, many of which referred to projects which could not possibly have been discussed in detail in a large conference although the sponsors insisted that these be discussed. Senator Cameron I think was responsible for a change, as program rapporteur. The procedure in future will be that when any country wishes to suggest a project as being worth while in the interests of the objectives of UNESCO it will send notice to the secretary at least six months prior to the next conference. Then, in order to satisfy those who want to speak from the floor, it was decided that any projects proposed in the conference itself should be discussed but passed on to the next conference two years hence. Although there were many other points, these of course are just the main ones. We were deluged with paper. I think each of us must have had a stack several inches high. This cost a lot of money, because each paper was published in four languages. Some suggestions were made in the

program commission, if I may put it this way, to stop the avalanche of paper and simplify the procedure.

I have tried to build in your minds a certain attitude toward UNESCO in order to show that while we certainly believe its administration could be improved, we must also recognize the difficulties involved. These nations are scattered all over the world, and I might say we have a great deal to learn from those nations with which we are not too familiar. We can learn more from them than they can learn from us.

The question arises as to whether we wish to be considered as a country that is always critical, and as to whether we are too much concerned with efficiency. One gentleman with whom I spoke and whose name I shall not reveal said to me, "You Canadians are always talkings about efficiency and integrity. I am more concerned with good will and good relations". It occurs to me that perhaps he is right, and certainly you get that impression while attending one of these conferences. Is it not worth while that we and the other western nations tolerate some things we do not like very much for the sake of good will and improved relations?

Canada, I think, must decide between giving guarded support—I was going to say reluctant support but I do not mean quite that— and admitting that there are practices we cannot accept, agree to go along with them in the cause of ultimate peace. We must try to more fully understand the special problems of the poorer nations and recognize their attitudes toward them, which come as a result of their differing religious and cultural backgrounds; and we must go a little way in co-operating with them. To do this it would be necessary to publicize more fully the aims, objectives and methods of this loosely organized body which is UNESCO, and endeavour to have our people know more and understand more about it. It is therefore our duty to speak about it and support it on all occasions.

I do not know whether I should do this, but I am going to close on what might perhaps be considered an emotional note but one which I think is fundamental to our attitude in the continued and more enthusiastic support which we must give to UNESCO. It is to turn to that portion of the Bible where our Saviour summarizes the ten commandments into the well-known exhortation when he says.

> Thou shalt love the Lord thy God with all thy heart, and with all thy soul, and with all thy mind. This is the first and great commandment.
> And the second is like unto it, thou shalt love thy neighbour as thyself.

And this is significant:

> On these two commandments hang all the law and the prophets.

There have been good men, the Christian missionaries, who have gone out from our western countries and done the best they could with the limited funds and materials at their disposal. Perhaps we as western nations, the have nations, might now consider ourselves lay missionaries and by our actions and our attitudes try to live up to the second portion of the exhortation, "Love thy neighbour as thyself".

Somewhere in the Bible, I think in Proverbs, there is a passage which goes something like this, "Wisdom is the principal thing, therefore get wisdom. But with all thy getting get understanding." And so we complete the circle. That is what UNESCO is, an organization for mutual understanding.

Mr. William Bryce (Selkirk): Mr. Speaker, in rising to take part in this debate I would like to congratulate the mover of the address in reply to the speech from the throne, the hon. member for Edmonton-Strathcona (Mr. Hanna) and the seconder, the hon. member for Gloucester (Mr. Robichaud). I am sure the constituents who sent them here will be pleased to see that they were honoured in this way by the present government.

The speech from the throne this year does not offer very much to debate or to pass an opinion on which points to an early election. However, I would like to take this opportunity of bringing before the government certain things in the Selkirk constituency which could be corrected.

One great problem that farmers have today is that of getting sufficient cash with which to carry on. This situation has been made worse by the recent railway strike. Many farms still have grain lying out in the fields gradually deteriorating. I know of one farmer in my constituency who has oats lying in piles out in his fields. When he threshed and sold some of that grain it was graded 3CW; they were Rodney oats. They have been lying out in the fields since threshing time, and the only grade the crop could be given now would be No. 1 feed grain. The difference in price between the two grades I have mentioned is a matter of only a few cents per bushel, but this represents a great loss when you have a few thousand bushels to sell.

There are also certain points where the quota still is one bushel per acre. The farmers on whose behalf I am speaking are people who had no crop last year, or practically none. They are now facing a loss for a second year. At the beginning of the crop

year the constituency did not have the grades that were required. The Department of Trade and Commerce or the wheat board wanted No. 3 wheat or malting barley, and we had practically none of those grades in the constituency. Therefore I hope the minister will not forget the interlake country, as the people there did not sell any grain last year and they should have the opportunity now to unload some grain. They have lots of No. 5 wheat and coarse grains. I was assured by the minister the other day that with the settlement of the railway strike these grains would move steadily. We have both the C.P.R. and the C.N.R. running through the interlake country, and they should be able to help put some money in the pockets of these farmers.

In parts of the interlake country the farmers derive their living raising cattle, and they complain bitterly about the fluctuations that take place in cattle prices from time to time. There is no guarantee that the farmer is not going to take a loss on his cattle, and I think some system of guaranteed prices is therefore required.

The same can be said of hogs. For instance, in October, 1953, hogs on the Winnipeg market were $30.44, which was a pretty good price. In 1954 they were down to $20.81, a drop of $10 in about ten months. In 1955 they were about the same, $20.54; in fact in December of 1955 they dropped as low as $19.72. On today's market in Winnipeg they are up again to $29. These fluctuations in price are not good for the producer, the packer or the consumer, and if some arrangement could be made whereby the farmers, through a system of guaranteed prices, could be protected against loss I think we would have a far more regular supply of hogs and cattle coming on the market.

On different occasions when the estimates of the Minister of Agriculture have been considered I have talked about some form of marketing agency. When I came here in 1943 I talked about a livestock marketing board. Then I talked about a board of livestock commissioners. However, there always seemed to be some objection to that type of thing. Then there was the problem that such a plan would have to originate in the provinces. I think that is right; it has to start in the provinces. However, after raising cattle and a few hogs for 40 years in this country I am still convinced that we should have a livestock marketing organization, because it would have a steadying influence on the prices of livestock.

I admit that there are a lot of people against such a plan. However, I have turned the matter over in my mind, I have read about it and made inquiries about it, and I still think something has to be done to stabilize the livestock industry. Auction sales have been tried in different parts of the west but they do not appear to be too successful, and the results have not been what the farmers were trying to achieve.

I was a member of a committee in Manitoba that gave considerable study to the livestock marketing situation. The Manitoba livestock committee, under the chairmanship of the late Gordon Allison, put the reasons for a livestock marketing policy before the Manitoba farmers but, as I have already said, to be successful it would have to take in a very large territory. One province alone would not make it a success. At the very least you would have to have the three prairie provinces.

I would put forward these reasons in support of a livestock marketing policy. There should be such a policy in order to get more security and stability in the marketing of livestock. With a more stable livestock policy more people would raise livestock on the farms; hence there would be more consumption of grasses and legumes, which in turn would tie in with the conservation program in order that our soil might be built up with humus and organic matter. Erosion would also be checked. In this way we would keep the soil on our farms at home and not have it blow away.

Such a policy would in time build up our soil and enrich the country so we could turn it over to our heirs or those who follow us in as good or better shape than when we took over its care. This soil is a sacred trust. It is also our livelihood. If properly instituted, a sound livestock policy would better the position of the producer, the consumer and the packer; in fact it would increase the amount of livestock that would be processed. Breeders would stand to gain too, as they would have an expanded market for their livestock right at home. In fact we would have everything to gain and nothing to loose. Forty years' experience in the purebred livestock game has taught some of us that when commercial prices drop purebred prices drop accordingly, so if we can through a little effort get a more stable policy we will gain by what we have to sell commercially.

We are tied to a different economy today than in the horse and buggy days. We depend on tractors and power machinery to do the job, and the gas bills have to be met. It is a different story from when you could bring in your power in the form of horseflesh from the straw stack a week or two before seeding, when you had your power right there.

Such a policy would also expand our farming operations so we could use our young people on the farms, instead of forcing them to go to the cities to find work for the entire year.

When the St. Lawrence seaway is completed we will have refrigeration right on our doorstep at the head of the lakes, where ocean-going liners can pick up these products and distribute them anywhere in the world, for it is much cheaper to ship by water than by rail. We have airplanes now that can deliver goods in 24 hours anywhere in the world. We would be able to distribute these products more rapidly wherever people wanted them. Remember, two-thirds of the people in the world never go to bed at night feeling that they have had enough to eat, and in some countries there are always people who are starving for food.

I appeal to the minister again to give this matter further consideration; to see if it would not be possible to set up a small commission to look into it and decide whether it is possible to institute a livestock marketing system so that prices will be maintained and we will not have these fluctuations that sometimes take place from day to day. You may have a snowstorm on Monday and the price will go up, and then on Wednesday the price is away down. Fluctuations like that should not take place.

I wonder whether the Minister of National Health and Welfare, who was here a minute ago, has any information to give the house regarding the Disabled Persons Act. I have spoken to the minister at different times and asked him if he was sure that every province was administering the act in the same way. I said that some provinces were very strict in their administration of the act while others seemed more human, although the minister had previously explained that the regulations were drawn up in co-operation with the provinces.

He also stated that a conference was to be held last October. I am wondering if that conference took place, and if he could tell us anything about the discussion; whether any new amendments have been proposed or arrangements made to improve the act. As it is today a man or woman has to be confined to bed or unable to put on their own clothes before deriving benefit under this act. I wish the minister would give more consideration to this problem, as there are many disabled people who cannot earn their bread and butter and who are unable to receive any benefit from the act. I voted for the act when it was brought in; I thought then we were getting an act which was going to help take care of people who could not earn their own living.

I do not wish to take the time of the house by dwelling further on the subject of old age pensions as most hon. members have already drawn the attention of the government to the need for an increase in the pension rate. I think that feeling is widespread in this house; people everywhere have been getting up and asking for increased old age pensions. When everybody is agreed, and the attention of the government has been drawn to this matter, then I think a reform is long overdue. The $40 which an aged citizen gets today has the value of only $20 compared with purchasing power in the past, and in the light of the continual rise in the cost of living which is taking place it is essential that the government should give immediate consideration to providing a decent living for those people who have helped to build the Canada that we inherit today.

Equally important is the subject of blind persons' pensions. A single blind person receives a pension of only $40 a month and, moreover, he is allowed to earn only another $40 before having the extra money deducted from his pension. These blind people are subject to the high cost of present day living in the same manner as those of us who are fortunate enough to have full sight, yet they do not receive any extra allowance for the extra cost that blindness imposes. Once again I appeal to the Minister of National Health and Welfare to give serious consideration to the plight of the disabled person, the blind person and the old age pensioner. It appears that in our efforts to build a better Canada we are inclined to forget the people who need help most.

I would like also to take the opportunity at this time to draw the attention of the Minister of Citizenship and Immigration to the problem of Indians leaving the reserves and finding work around the towns. This is a development which I am sure everyone is delighted to see, but it does present problems which I think the minister should straighten out before they develop into a major difficulty. I know the minister is aware of the situation because I have talked to him about it, with particular regard to its effect upon the town of Selkirk.

This is what happens. The Indian comes to town and finds work. Naturally, he gets along all right while work is plentiful. However, there comes a time when work is scarce and he cannot find funds on which to keep going. Usually he applies to the Indian agent and gets rations with which to carry on until he finds another job. This job may last a month or six weeks, after which he draws rations again. The process can carry on for one year, at the end of which time he is directed to

the town for relief because he has been in residence in the town—Selkirk, for example —for one year.

This is where the main problem arises. Does he cease to be the responsibility of the Indian affairs branch at this stage? Remember, he is still a treaty Indian. Will the Indian affairs branch reimburse the town for the rations they supply to the Indian while he is a resident, say, of Selkirk? The same problem arises in other directions, and I am still talking about the treaty Indian. Should he fall sick after his 12 months' residence in town, will the Indian affairs branch pay any hospital or doctors' bills incurred by him during his sickness, or is the town expected to assume this responsibility? There is also the problem presented when an Indian falls sick while he is away from the reserve or when he is working away from home. Only recently we had some discussion as to who was responsible for hospital bills incurred by Indians in the Selkirk constituency. In my way of reading the Indian Act the treaty Indian is a ward of the Canadian government and is the responsibility of the government.

I would think that an Indian who belongs to a band and who has a band number would be a treaty Indian and, as such, would be the responsibility of the Indian affairs branch. In the recommendations made to the house by the Indian committee of both houses, which sat for three years, it was suggested that all phases of the Indian affairs branch should fall under one head and not be divided up as at the present time. The recommendation reads as follows:

> . . . administrative improvements which could be effected without the revision of existing legislation and which, when put into effect, would remove some of the causes out of which arise grievances and complaints of many Indians. There are still some "administrative improvements" which your committee deems advisable. Your committee, therefore, again recommends that the administration of all aspects of Indian affairs be placed under one ministerial head.

I do not think that recommendation has ever been given any consideration. The minister, when he speaks on his estimates, will I am sure be able to answer these questions. The committee went even further and suggested that the director of the Indian affairs branch should be named a commissioner who should have the rank of deputy minister, and should have at least two assistant commissioners of whom one should be a Canadian of Indian descent. Perhaps in the near future the minister will have an opportunity of telling the house just how many of these recommendations have been acted upon, and what progress is being made to incorporate them into the Indian Act.

[Mr. Bryce.]

There is another question which presents considerable worry to the Indians, and that is the question of treaty rights and obligations. I talked about this on a previous occasion, because I think it is something that should be settled once and for all. This is something which was recommended by the Indian committee, and I quote the recommendation they made:

> That a commission in the nature of a claims commission be set up with the least possible delay, to inquire into the terms of all Indian treaties in order to discover and determine, definitely and finally, such rights and obligations as are therein involved and, further, to assess and settle finally and in a just and equitable manner all claims or grievances which have arisen thereunder.

I hope the minister will be able to do something about these various problems to which I have drawn his attention. At the time of my first trip to the north country in 1943, that is up to Norway House, the conditions of the Indians were in a deplorable state, but there has since then been remarkable improvement in many ways. The new hospital is a wonderful achievement, and I hope the improvement will continue.

Mr. W. Ross Thatcher (Moose Jaw-Lake Centre): Mr. Speaker, I believe that one of the major domestic problems facing parliament this session is inflation. I also think some method must be found of bringing it under control. I look forward to hearing the statement which the Minister of Finance today promised to make on the subject at a later date.

There are many Canadians who are not particularly concerned about inflation, possibly because they do not realize the dangers inherent in the present situation, and also, probably, because the kind of inflation we have in Canada today is not of the extreme variety such as that which Germany experienced after world war I. Rather what we have in this country today is a sort of creeping inflation. But even though it is combined with rising standards of living and with widening opportunities in some cases, it is month by month gradually and insidiously eroding the value of our Canadian dollar.

Every hon. member realizes, I know, that in the past year Canada experienced one of her best years economically. When the final figures of production, consumption and prosperity are compiled I suppose they will show that, materially, Canada did better than any other nation in the world. Employment reached new levels in 1956. Our gross national product went up by leaps and bounds. Trade improved, wages increased and so on. In short, Canada has been literally bursting at the seams economically. Yet authorities who

should know tell us that the very vigour of the economic boom has given rise to factors which, if not controlled, could wipe out many of the economic gains which we have experienced since the end of the war.

With such prosperity prevalent throughout the country, I suppose it is natural that the average man in the street does not worry too much about inflation. As a matter of fact, in the early years of an inflationary spiral most people rather like it. It offers jobs for everyone at steadily increasing wages. It offers increasing dollar values for property. It offers opportunities to make easy money by speculating in things of real value. Yet, Mr. Speaker, inflation is like a thief in the night. It hurts most those who can least afford to be hurt. It takes a substantial bite today out of the wages of every workingman in this country. It works great hardship on those who are trying to live on fixed incomes, because the value of their savings is gradually decreasing.

In the past 50 years many nations have travelled the road to inflation, and most of them have travelled it to disaster. It seems to me that this parliament should take every possible action at this session to make sure that Canada does not travel the same road to recession or to depression.

One of the most obvious danger signals is our cost of living index increase. The last figure I saw was for October, when the cost of living index was 120.3 as compared with 100 in 1949. It showed an increase of 3.4 points in the eleven months preceding October.

What is even more alarming, I think, is the prospect for the next six months. There are some who hope that the inflationary fires will burn out before any additional government action is necessary. Personally I think that hope is wishful thinking. Last year our investment program was roughly $8 billion. If I understand the situation correctly, the figure will be substantially higher during the current year. I think that fact will inevitably increase the demand for labour and materials, and will bring additional pressure on our general price levels.

I know that for many months, Mr. Speaker, our government has recognized the dangers, and that it has taken some action. In co-operation with the Bank of Canada it has adopted what is known or has come to be known as a tight money policy. I certainly do not set myself up as an economist but, as I understand it, the present tight money policy does not arise from a contraction of money or of bank credit. The supply of money is about the same as it was about a year ago. Central bank policy, in co-operation with our banks, has been directed toward maintaining the volume of money at the same level as that of a year ago, and restraining any further expansion of credit. With the supply of money limited and with the demand for it practically insatiable, naturally the law of supply and demand has come into effect and interest rates have gone up. I think hon. members on all sides of the house would agree that the higher interest rates have been at least partially effective in discouraging additional business expansion financed by bank credit.

Personally I support wholeheartedly the steps which have been taken so far by the government to deal with these inflationary tendencies. Every country in the western world, I think, has taken similar steps. I am quite sure that if my hon. friends in the Conservative party were sitting on the government side, they would take the same kind of action.

The primary purpose of the monetary measures taken by the Bank of Canada has been to extend the period of our boom and to protect the Canadian people against any economic bust. The rapidly rising interest rates, of course, have hurt in some quarters, but the hardships which they have inflicted are as nothing compared to what the hardships would be if this government adopted an easy money policy.

There are some fields which have been adversely affected. Housing and municipal finance have been mentioned. Perhaps there will have to be some adjustments in these fields. Naturally there have been complaints about this tight money policy from companies whose plans for expansion are hampered, but I think the government has put the over-all welfare of the nation ahead of political expediency in this particular instance. As a matter of fact it seems to me that there are indications today, and a good many of them, that the tight money policy of this government may have to be extended.

When the original Bank of Canada Act was formulated and designed, commercial banks extended most commercial credit. Today that is no longer the case in many instances. There are many other companies today which extend credit in large volume. I refer to finance companies, small loan companies, insurance companies, mortgage companies, credit unions and even government agencies.

It is quite true that an appeal has been made to these various organizations to restrict credit voluntarily, but I do not think such an appeal is adequate. Today there are many companies of the nature I have described which are still extending credit almost without limit. If inflation in Canada is

to be controlled, I believe the government should set up a co-ordinated set of policies, principles and regulations which would govern all the various components of our financial system, and not the banks alone. Such a policy should be aimed at making our entire financial situation responsive to the actions of the Bank of Canada.

Perhaps I am wrong, Mr. Speaker, but it seems to me that there is another step which should be taken at the present time. Unless retail prices show some indication of stopping their upward spiral I believe the government must consider taking steps to curb credit at the retail level. A requirement of 25 per cent or 33⅓ per cent down on all credit sales would not be popular, but I think it would be effective in temporarily postponing the demand for automobiles, appliances, furniture and the like. It could help to curb consumer demand with a minimum of hardship to anyone.

There is yet another step I should like to see the government take. I cannot help feeling today, as I have felt for 10 years, that parliament is sometimes prone to spend money too easily. How can we expect Canadian businessmen and Canadian industry in this period of emergency to use restraint in spending if we in this parliament, on all sides, allow the expenses which we should control to increase by several hundreds of millions of dollars each year? I think it is obvious, that government demands for manpower, government demands for materials, are just as responsible for pushing up prices as are the demands of industry. It seems to me, therefore, that governments at all three levels, federal, provincial and municipal, during the next few months should set an example to industry and private citizens by keeping their spending at a practical minimum.

Mr. Nicholson: What about family allowances? What should we do about them?

Mr. Thatcher: I am always amazed at the ability of socialist theorists to offer destructive criticism.

Mr. Nicholson: Should we cut down family allowances?

Mr. Thatcher: Most economists, I think, would agree that one of the major contributing factors to inflation today is a shortage of manpower. Parliament would be accentuating that shortage of manpower if it adds to the number of civil servants unnecessarily. Perhaps no one in the house will agree with me, but I think during the present emergency the Minister of Finance might be wise to freeze the number of civil servants at its present level.

[Mr. Thatcher.]

What about tax policy? For many years in this house, as hon. members know, I have urged the Minister of Finance to bring about tax reductions, and I continue to believe that such a policy is desirable and urgent. I would be the first to admit that in this inflationary period perhaps this short-term picture has altered. Last March the minister budgeted, I think, for a surplus of $113 million. It seems now that the surplus will reach $300 million. Surely a large and substantial part of that surplus should be used for debt reduction, and I commend such a policy to the minister as being anti-inflationary.

What of the remainder of the surplus? Personally I say this with respect, I would rather the minister did not leave the balance of this surplus lying around because there are too many hon. members who can find ways of spending it. I should like to see, as I say—

An hon. Member: Too many old age pensioners now?

Mr. Thatcher: I shall tell my hon. friend that so far as the old age pensioners are concerned, they may be taken care of sooner than my hon. friend wishes.

Mr. Nicholson: What about the means test for old age pensions?

Mr. Thatcher: I am glad to talk about the means test. For 10 years now I have listened to C.C.F. members advocate the removal of the means test down here in Ottawa, yet out in Saskatchewan they have the most rigid means test in the whole world, on their supplementary allowance to pensioners.

Mr. Nicholson: Do you favour abolishing the means test?

Mr. Thatcher: Mr. Speaker, I said that I favoured tax reduction if it is feasible at the moment. If economists tell us it is too dangerous to put this extra purchasing power into the hands of consumers at the present time, then I believe some method should be found to give the public the benefit of tax reduction on a postponed basis. Perhaps some kind of deferred savings certificate could be issued by the government which would not be redeemable for three years or five years.

I say that inflationary tendencies are not out of control in this country, but there are danger signals on the horizon. The Minister of Finance knows better than anyone that combating inflation is neither an easy task nor a popular one, but every Canadian will be adversely affected if parliament ignores the problem. In the period ahead we must

look to the Minister of Finance for leadership, yet others must also accept their responsibilities. Industrialists and merchants must be moderate in their pricing policies; labour must be moderate in its demands for wage increases, and members of parliament must be moderate in the demands they make on the Minister of Finance for increased expenditures. If we give the minister that kind of co-operation I think we can hold inflation within bounds, reasonable bounds, during 1957. I hope the minister will consider the suggestions I have made, and I hope he may find some of them feasible.

Mr. Michener: I listened with great interest, Mr. Speaker, to the excellent speech we have just heard. I wonder if the hon. member who has just taken his seat, and who appears to identify the government of Canada with the Bank of Canada, could point out any action which the government of Canada, as distinguished from the Bank of Canada, has taken to deal with any inflationary trend about which he has talked?

Mr. Thatcher: I am a backbench member, and I would not suggest policy.

Mr. G. S. White (Hastings-Frontenac): Mr. Speaker, I would first like to congratulate the mover (Mr. Hanna) and seconder (Mr. Robichaud) of the address in reply to the speech from the throne. This year the speech from the throne dealt mainly with foreign affairs, and the two speeches made in this house on Monday last by the Secretary of State for External Affairs and the Minister of National Health and Welfare emphasized the importance of this subject.

There has been so much said during the emergency session and this session about the United Nations police force in Egypt that one wonders what magic wand the United Nations is going to use now to accomplish in the Middle East what the United Nations has dismally failed to accomplish in the past 10 years of its existence. If one is brutally frank he is forced to admit that the United Nations has been a dismal failure to date. It has not had any effective policy for dealing with the various problems that have affected the Middle East for many years. The problems of the Middle East are not new and they are not going to be solved overnight. This powder keg has been in existence for years. Various matters affecting the Middle East have been before the United Nations for years. The score to date is just nil.

I shall cite one instance, and that is the plight of the hundreds of thousands of Arab refugees. These people became refugees on the day the state of Israel came into being. Years after this event took place we still find hundreds of thousands of these unfortunate people who are not re-established or resettled. You will find them in the Arab states of Lebanon, Syria and Jordan. These refugees, with their families, are living under the most deplorable conditions of utter poverty. From time to time every member in this house has received pamphlets and literature outlining the plight of these unfortunate people. This matter has been before the United Nations time and time again, and nothing has been done.

In the three Arab countries you will find large settlements of these refugees living in the most squalid conditions in large camps along the road between Baalbeck and Damascus; you will find them scattered along the highway from Damascus to Amman and in the vicinity of Jericho, Jerusalem, and in other parts of the Arab states. This one problem has been a festering sore for years, well known to all members of the United Nations, yet no action has been taken.

There have also been the old questions of the Gaza strip, the boundary line, the right of Egypt to block and to prevent Israeli ships going through the canal. As I said, these problems affecting this part of the world have been before the United Nations for years and little if anything has been done. It seems to me that the United Nations has proved itself utterly incapable of dealing with these problems which have simply screamed to be settled; and today, after years of senseless and useless debate and passing resolutions that would stretch around the world, but taking no action, we are asked to base the hope for peace in the world on the action of the United Nations in sending a small police force to the Middle East.

The present force, we are told, is composed of about 5,500 men, of whom only some 1,100 are Canadians. To me, 20 per cent of the entire force seems rather a large percentage for Canada. If you take from these 5,500 men the administrative staff, the medical, the army service corps, the signallers, the engineers and all the other services that go to make up a modern army brigade today, you will have very few men left to carry out the so-called police duties.

At page 174 of *Hansard* the Secretary of State for External Affairs said:

> This has led to a demand in some quarters that somehow or other United Nations assembly should take action to enforce effectively its own recommendations. This of course ignores the fact that such compulsory enforcement procedure through the assembly is not in accordance with the terms of the charter as drafted.

That very clearly indicates that this small police force in Egypt has no authority to

enforce anything. I would have liked very much if the Secretary of State for External Affairs had explained to the house in detail just what are the duties of this police force and what it has accomplished to date, if anything; and what military equipment this force has. I take it, if it is a police force, it is not to fight. What is it to do if it is attacked? What is it to do if fighting breaks out again between Israel and Egypt, or one of the other Arab states? How long is the force to remain there? I think the hon. member for Oxford clearly showed today that it is going to stay there just as long as Colonel Nasser will permit it to stay there.

What are the duties of this force as far as the canal is concerned? Can it be ordered out of Egypt at any time? And, of some importance to the Canadian taxpayers, what proportion of the entire cost of the more than 1,100 Canadian troops in Egypt is to be paid by Canada? The Secretary of State for External Affairs made very clear during the emergency session, and in his speech on Monday, that the police force is very restricted in its actions. He spoke on Monday. At page 175 of *Hansard* he tried to give the impression that the force had accomplished a great deal, and at page 176 he made this very significant statement:

> But even within these limitations the United Nations force can, I think, play an important part in bringing about an honourable and enduring political settlement in the Palestine and Suez area.

Well, it would have been more interesting if the minister had only enlarged upon that and shown how this police force, with its limited powers, is able to bring about a settlement of any kind.

There are many people in Canada who believe that if Britain and France had not acted in the Suez, Russia would have moved in and today Russia would have been in complete control of the canal and the Middle East. Many people feel that the action of France and Britain was necessary to preserve their very existence, an action necessary in view of the previous feeble actions of the United Nations and the United States.

What happened? The Canadian government turned its back on France and Britain, and was described by some as being very bitter and severe. The true feeling of the Canadian government was well expressed by the Prime Minister on page 20 of *Hansard* of the emergency session, when he made that statement and by the manner in which he made it. The statement is as follows:

> The era when the supermen of Europe could govern the whole world has and is coming pretty close to an end.

Well, I would like to tell the Prime Minister and the Secretary of State for External Affairs that in the part of eastern Ontario where I reside the vast majority of Canadian people do not agree with or approve of the sentiment expressed in the words uttered by the Prime Minister; nor do they agree with the action of the Canadian government in not supporting France and Britain. I had hoped that at some time either the Prime Minister or the Secretary of State for External Affairs would tell the house and the country what, in their opinion, would have happened to the Suez canal and the Middle East if France and Britain had not acted. If the policy that the President of the United States recently submitted to congress had been declared earlier there would not, in my opinion, have been any crisis in the Middle East. Press despatches of today report the appearance of Secretary of State Dulles before a Senate committee, in which he said:

> State Secretary Dulles said today there would be "a very great likelihood" of United States troops fighting in the Middle East if congress rejects President Eisenhower's Middle East manifesto.

What they are pressing for is exactly the same action that France and Britain took. From the two speeches made on Monday by the two ministers one can judge that they have apparently seen the commonwealth in a new light, because it has been a long time, prior to Monday last, since anyone in this house has heard any minister of the crown make any complimentary remarks about the commonwealth. In fact it has been the usual practice of ministers to avoid any reference of any kind to the commonwealth, or to mention any of the benefits of the commonwealth to the entire world.

The speeches of the two ministers were remarkable in that they made some attempt to repair the damage done by the remarks of the Prime Minister in the emergency session. I do not think anybody is going to disagree with the remarks made by the Secretary of State for External Affairs. He spoke in most glowing terms about the commonwealth, what Britain had done in granting independence and self-government to former colonies. He mentioned the names of certain nations which will soon be members of the commonwealth. In my opinion these remarks were a well-deserved tribute to the statesmen of the United Kingdom, who only such a short time ago were described and classified by the Prime Minister as aggressors and the supermen of Europe.

The Minister of National Health and Welfare, not to be outdone by his colleague, also praised the commonwealth and several times during his speech lauded the work of the commonwealth in every way. I should like to read two passages from his speech, at page

186 of *Hansard*. In referring to various countries in Asia the minister said:

> I also told them that, as a member of the commonwealth, Canada felt that that instrument had in its very concept the opportunity of providing not only for the good of its constituents but for the welfare of all nations in the world, in Asia as well as elsewhere, who are prepared to understand its good intentions and purposes.

I congratulate the minister on having a view of that kind. He went on to say:

> But my judgment would be that, for the most part, those who at the present time have to do with the conduct of government in those great countries recognized that in the consultations of prime ministers, in the consultations of commonwealth foreign ministers and in the collaboration that takes place in the United Nations, the commonwealth serves as a valuable instrument in a world that needs to move closer and closer together rather than diverge on an increasing scale.

I also congratulate the minister on those sentiments; but both ministers in their glowing words about the commonwealth overlooked one certain factor that was aptly pointed out yesterday by the hon. member for Kamloops, who indicated that not once in all the glowing references they made to the commonwealth did they mention the vital factor of the centre of commonwealth unity, loyalty to the crown.

In the speech from the throne there was no reference to any amendment to the Succession Duty Act, unless that reference was contained in the last few words where it mentioned that amendments to certain other acts would be submitted. I sincerely hope this act will be amended. It was mentioned last year in the speech from the throne, but no amendments were brought forward. In my opinion the present act should be revised in the light of changing economic conditions.

Conditions have changed considerably since the act was first introduced a long time ago. At the present time an estate of up to $50,000 is exempt from tax, but if the estate exceeds $50,000 it is taxable in its entirety. That appears most unfair to me, and I feel the exemption should be raised to at least $75,000 and this amount should be exempt from duty in any event. Every hon. member of this house who is a member of the legal profession knows from his own knowledge and has seen from his personal experience many instances of the effect of income tax and succession duties on income under wills or trusts, pensions, lump sum payments and other similar payments received by a surviving dependent, and are well aware of the hardship created.

One other matter in connection with succession duties is that of charitable bequests and charitable donations made within three years of the date of death, as well as unpaid subscriptions to charitable organizations. Many people feel that these should not be included in arriving at the value of an estate for the purpose of determining the initial rate of duty.

In regard to income tax, despite what has been said by the hon. member who has just taken his seat, I for one hope the Minister of Finance is going to raise the exemption of a married man to at least $3,000 and the exemption of a single person to at least $1,500, and consider a reasonable increase in exemptions for children. Everyone knows that inflation has greatly raised the cost of living, that municipal taxes have increased and that the price of everything the taxpayer has to buy is following an upward trend. The taxpayer is subject to many taxes which are hidden in the sale price tag.

The present exemption for children is only $150 in the case of a child in receipt of family allowance and $400 in the case of a child not receiving family allowance. How far will $400 a year go toward the support of a child over 16 years of age who is attending school or college? Even a casual examination of the prices of goods advertised in the newspapers today, including the prices of clothing, footwear and the other necessities of life, will indicate that an exemption of $400 is a small exemption indeed.

There is also the situation of many taxpayers who are living on fixed incomes. In many cases the income was fixed years ago when the dollar was worth a great deal more than it is worth today. The present rate of taxation and scale of exemption works a hardship on this type of taxpayer, and I suggest to the minister that he might well consider allowing an exemption of more than $500 to all taxpayers over the age of 65 years.

There was a short reference to agriculture in the speech from the throne which will not greatly encourage the Canadian farmer. The hon. member for Middlesex East very well placed the position of the farmer before the house in his remarks as recorded at page 85 of *Hansard*, when he showed that the Canadian farm economy is being exploited to provide markets for manufactured goods. Although Canada is a great producing nation many of our agricultural products are imported from abroad. Each year several million pounds of cheese are imported into Canada, fruit and vegetables are imported from the United States, tomatoes and tomato pulp are hauled across the ocean from Europe and then go by rail to marketing points where they compete with local products, although it is true we have certain tariffs that operate only on a seasonal basis.

For instance, last year many hon. members received representations from turkey producers concerning the importation of turkeys from the United States which undersell the local market. I have a large number of turkey producers in my district, and I have received letters concerning this situation. Representations were made to the Minister of Agriculture last year by turkey producers.

Ask any farmer in Ontario today who is engaged in mixed farming concerning the great increase in the cost of every article he must purchase for the operation of his farm, including the increases in labour costs and municipal taxes, and compare these increases with the prices of the products he has for sale. Every rural newspaper carries notices and reports of meetings of the fast-growing farmers' union held in every county throughout Ontario. No doubt many hon. members have attended these meetings and discovered that in many cases they could not find much fault with the arguments put forth by the farmers. The farmers want only their fair share of the income of the nation. As many hon. members have already observed, because this is an election year something may be done for Canadian farmers.

Before I sit down, Mr. Speaker, I would like to say a word or two in support of those hon. members who have spoken on behalf of the Canadian veteran. I have in my hand the brief presented to the government by the Legion, and there are one or two matters I would like to mention. The Legion has made extremely reasonable requests the granting of which in many cases would not increase government expenditure in any way. For instance, they ask for an increase in the permissible ceiling, which is not going to cost the federal treasury one cent. They simply ask that the ceilings on total permissible incomes under the War Veterans' Allowance Act be increased to $1,200 per year for the single recipient and $2,000 per year for the married recipient. They further ask that the married rate of the war veterans' allowance be increased from $108 per month to $120 per month. They also ask that Canadian veterans of world war I whose overseas service was restricted to the United Kingdom be eligible for war veterans' allowance. This request is also most reasonable and one that has been submitted to the minister on many occasions.

The only other request I wish to mention is that respecting the present equity value of the home in which a war veterans allowance recipient resides. Such a veteran is now permitted to have an equity of up to $6,000. Every hon. member knows, from his knowledge of the value of property in his own community, that $6,000 is a very low figure. The Legion asks that the figure be increased to $9,000. This again will not entail the outlay of one cent of public funds.

I realize that these requests have been made repeatedly to the minister, but I would point out to him that the present very cold spell means for many pensioners and veterans in receipt of war veterans allowance extra fuel, food and clothing which in many cases they can ill afford. The number of veterans who will receive a pension, if the pension is granted to veterans of world war I who served in England, is very small, and the amount of extra funds from the public treasury will not be very great. I sincerely hope that the Minister of Veterans Affairs and his parliamentary assistant will take some action at this session of parliament to implement the very fair and reasonable recommendations contained in the brief presented to the government by the Legion last fall.

Mr. Speaker: Shall we call it 5.45?

Some hon. Members: Agreed.

Mr. Speaker: By virtue of the provisions of standing order 38, paragraph 3, I must put the question forthwith on the amendment to the amendment to the main motion.

The house divided on the amendment to the amendment (Mr. Coldwell) which was negatived on the following division:

YEAS

Messrs:

Aitken, Miss	Holowach
Argue	Johnson (Kindersley)
Balcer	Johnston (Bow River)
Barnett	Jones
Bell	Knight
Blackmore	Knowles
Blair	Leboe
Bryce	Lennard
Bryson	Low
Campbell	Macdonnell
Cardiff	MacLean
Casselman	McCullough (Moose Mountain)
Castleden	McGregor
Churchill	McLeod
Coldwell	Michener
Diefenbaker	Mitchell (London)
Dinsdale	Monteith
Dufresne	Murphy (Lambton West)
Ellis	Nesbitt
Fairclough, Mrs.	Nicholson
Ferguson	Nowlan
Fraser (Peterborough)	Pallett
Gillis	Patterson
Green	Pearkes
Hahn	Perron
Hamilton (Notre Dame de Grace)	Quelch
Hansell	Regier
Harkness	Robinson (Bruce)
Hees	Rowe
Herridge	Shaw
Hodgson	Small

Smith (Battle River-Camrose)
Starr
Stewart (Winnipeg North)
Tustin
White (Hastings-Frontenac)
White (Middlesex East)
Yuill—69.

NAYS

Messrs:

Anderson
Applewhaite
Arsenault
Ashbourne
Balcom
Batten
Beaudry
Benidickson
Bennett
Blanchette
Boisvert
Boivin
Bonnier
Boucher
Bourget
Bourque
Breton
Brisson
Brown (Brantford)
Brown (Essex West)
Buchanan
Byrne
Cameron (High Park)
Cannon
Cardin
Caron
Carrick
Carter
Cavers
Cloutier
Crestohl
Dechene
Decore
Denis
Deschatelets
Deslieres
Dickey
Dumas
Dupuis
Enfield
Fairey
Fontaine
Gagnon
Gardiner
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Girard
Goode
Gour (Russell)
Gourd (Chapleau)
Habel
Hardie
Harris
Harrison
Hellyer
Henderson
Hollingworth
Hosking
Houck
Huffman
Hunter
James
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Lapointe
Lavigne
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Lesage
Lusby
MacEachen
MacNaught
McCann
McCulloch (Pictou)
McIlraith
McIvor
McMillan
Maltais
Mang
Marler
Martin
Masse
Matheson
Menard
Meunier
Michaud
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Pickersgill
Pinard
Pommer
Poulin
Power (Quebec South)
Power (St. John's West)
Proudfoot
Prudham
Purdy
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Rochefort
Rouleau
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Simmons
Sinclair
Stuart (Charlotte)
Studer
Thatcher
Thibault
Tucker
Valois
Villeneuve
Weaver
Weir
Weselak
White (Waterloo South)—135.

Mr. Speaker: I declare the amendment to the amendment to the main motion lost.

Mr. Shaw: Mr. Speaker, with your permission I should like to move the adjournment of the debate.

On motion of Mr. Shaw the debate was adjourned.

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

Questions

ANSWERS TO QUESTIONS

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

"H.M.C. DOCKYARD", HALIFAX—CIVILIAN PAYROLL

Question No. 2—**Mr. Balcom:**

What is the average total monthly payroll of the civilian employees, all branches, at H.M.C. *Dockyard,* Halifax, Nova Scotia?

Answer by: **Mr. Hellyer, Parliamentary Assistant, for the Minister of National Defence:**

The average total monthly payroll for civilian employees paid through H.M.C. *Dockyard,* Halifax, is $1,160,450.

ALASKA HIGHWAY—CASUAL LABOUR

Question No. 17—**Mr. Pearkes:**

1. How many positions available for casual labour on the Alaska highway were authorized in each of the last five years?

2. What has been the average number of casuals employed during July and August in each year?

3. What is the total number of casuals hired each year during this five-year period?

4. Of the total number of casuals hired during the fiscal years 1954-55 and 1955-56, how many have had their employment terminated with the notation "not for rehire", or other similar recommendation?

Answer by: **Mr. Hellyer, Parliamentary Assistant, for the Minister of National Defence:**

1. 1952, 419; 1953, 419; 1954, 419; 1955, 430; 1956, 550.

2. 1952, 360; 1953, 228; 1954, 393; 1955, 374; 1956, 379.

3. 1952, 551; 1953, 646; 1954, 552; 1955, 590; 1956, 604.

4. 1954-55, 71; 1955-56, 58.

HOUSE OF COMMONS

Thursday, January 17, 1957

The house met at eleven o'clock.

COMMONWEALTH RELATIONS

SUGGESTED CONFERENCE OF PRIME MINISTERS ON TRADE AND OTHER MATTERS

On the orders of the day:

Mr. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would like to ask the Prime Minister what will be his attitude to the suggested conference of commonwealth prime ministers, which I understand is being placed before the various prime ministers by the new Prime Minister of Great Britain. Does he at this time consider, having regard to the possibility of the United Kingdom entering into a free trade arrangement with Europe, that at the same time something in the nature of a British commonwealth trade conference would be acceptable and indeed needful?

Mr. St. Laurent (Quebec East): Would the hon. gentleman repeat the last words of his question?

Mr. Diefenbaker: Would the Prime Minister not consider that in view of the possible adherence by the United Kingdom to a European free trade agreement, at this time something in the nature of a commonwealth trade conference in so far as Canada is concerned is not only requisite but needful?

Right Hon. L. S. St. Laurent (Prime Minister): These conferences have always been very useful. We have had no information other than newspaper reports of any consideration being given at this time to an attempt to arrange a conference. Of course at this time it would be somewhat inconvenient. I have some legislative proposals that I hope to be able to submit to parliament, and I also hope to be able to be here when they are being discussed in parliament.

I can assure the hon. gentleman that, if there is a suggestion for a conference of representatives of the governments of the United Kingdom and other commonwealth countries, the matter will be given very serious and careful consideration, because we do realize, as I think most Canadians do, the value of these exchanges of views and of the need to arrive at decisions which, of course, each government has to arrive at on its own responsibility, but which do all tend to the achievement of the same objective.

Mr. Diefenbaker: Perhaps the Prime Minister will also answer the other question: whether having regard to these economic developments in Europe he would give consideration to convening a commonwealth trade conference in order to assure and maintain Canada's trade.

Mr. St. Laurent (Quebec East): No, Mr. Speaker, at this time we would not consider that we should attempt to convene a conference on trade until we have further information as to what exactly are the problems the new government in the United Kingdom would consider as having top priority in discussion with the representatives of other commonwealth governments.

[*Later:*]

Mr. John B. Hamilton (York West): Mr. Speaker, I should like to direct a question to the Prime Minister supplementary to the questions asked by my leader. In view of the fact that there is an indication that the Prime Minister of the United Kingdom might desire a meeting of the commonwealth prime ministers and that he may also be going to Washington, would the Prime Minister consider requesting the convening of such a meeting of commonwealth prime ministers in Canada?

Mr. St. Laurent (Quebec East): No, Mr. Speaker, the Canadian government would not consider at this moment substituting this action for what may be felt by the new Prime Minister of the United Kingdom to be the most urgent action that he should take. The government of Canada will co-operate wholeheartedly with the government of the United Kingdom in trying to arrange anything that may be felt there to be the most urgent matters that require to be dealt with.

Mr. Hamilton (York West): A supplementary question, Mr. Speaker. In view of the statements made by both the Prime Minister and the Secretary of State for External Affairs, does the Prime Minister not think this country might take the initiative at this time?

Mr. St. Laurent (Quebec East): No, Mr. Speaker, the Prime Minister does not feel that this country should take the initiative

to try to determine what should be the policy of the United Kingdom government. That we think is the responsibility, which I am sure will be discharged to the best of his ability, of the new Prime Minister of the United Kingdom.

OIL

REQUEST FOR STATEMENT ON PLANS FOR DEVELOPMENT OF ALBERTA TAR SANDS

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, will the Prime Minister, or the Minister of Trade and Commerce, make a statement to the house concerning the reports that the new Prime Minister of Great Britain has under consideration what is described as a dramatic plan for the development of the Alberta tar sands? I think reports indicate that copies of this plan, which is under study, have been submitted to the Minister of Trade and Commerce. This would appear to be a very far-reaching development, and it would be of interest to the house and the country if either the Prime Minister or the Minister of Trade and Commerce would explain just what is under way.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, so far as I am aware the only communication we have had on the subject came from Mr. Carol Wilson, who was formerly general manager of the atomic energy commission of the United States and is now the president of a private firm. He wrote about a plan for developing the tar sands to meet the present oil shortage in Europe. There was nothing new in the letter that I could find, other than suggesting immediate development. He said he sent a copy to the then British ambassador in Washington. I answered the letter and said we were watching with interest the tar sands situation, but we felt that at the moment it is not a development that was justified by present prices for the product. We regard it as more in the nature of a reserve for the future. That is all I have heard on the subject. We have nothing whatever from the British government. As to whether that government is interested or not I have no information.

TRADE

JAPAN—REPORTED CEILING ON EXPORTS OF MANUFACTURED COTTON GOODS

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Can the minister comment on the news report that Japan is going to place more ceilings on the export of manufactured cotton goods to Canada? What is the purpose of such action? Is such action not likely to adversely affect the sale of Canadian goods to Japan?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the export of textiles from Japan to Canada is a matter that was discussed when I visited Japan a few months ago. The Japanese have about 5 per cent of our market for textiles, and we think it would be difficult for us to live with a larger proportion.

The ceiling that has been put on in Japan has been put on by the industry, and not at the request of the Canadian government. I think the action taken may have been in furtherance of the thought I left there that Japan should be willing to see their market for textiles in Canada grow gradually with the growth of the total market, rather than flood this country with textiles at any one time. That is all I can say about it. We have had no communication on the subject from Japan. I read the same article to which the hon. member is referring this morning, and that is really all I know about the situation.

Mr. Argue: I wonder if I might ask a further supplementary question. Does the minister know whether any action will be taken subsequently to increase the ceilings, or are they placed on for an indefinite period?

Mr. Howe (Port Arthur): Well, the ceilings were placed, not at the request of anyone here but rather because the industry in Japan thought that was the sound way to develop a continuing market in Canada. As far as purchases of wheat and barley by Japan are concerned, although I do not know whether or not my visit had anything to do with it, since the time of my visit exports of both grains have increased very considerably; in fact, we have a larger proportion of total Japanese imports of those two grains than we have ever had at any time.

PIPE LINES

TRANS-CANADA PIPE LINES—INQUIRY AS TO PRESENT STATUS

On the orders of the day:

Mr. Roland Michener (St. Paul's): Mr. Speaker, may I address a question to the Minister of Trade and Commerce. Having regard to the failure of Trans-Canada Pipe Lines Limited to construct the pipe line to Winnipeg in accordance with its agreement, and the near approach of the deadline for

completion of its financing, has the government made any new concession to the company or entered into any new agreement with the company since last June?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the answer is no. I may say that the loan to Trans-Canada today amounts to a little less than $45 million, and we expect that sum to be repaid very shortly. After that, Trans-Canada Pipe Lines Limited will be a private company and the government will not have any official information about what it is doing.

Mr. Michener: That would be a relief to the government.

Mr. Nowlan: Mr. Speaker, may I direct a question to the—

Mr. Speaker: If the hon. member does not intend to ask a question supplementary to that asked by the hon. member for St. Paul's I think I should recognize the hon. member for Winnipeg North Centre.

Mr. Nowlan: I am sorry.

[*Later:*]

Mr. Howe (Port Arthur): Mr. Speaker, yesterday the hon. member for Yorkton (Mr. Castleden) asked me two questions. The first question reads:

Can the minister inform the house as to the date when it is now expected that the Trans-Canada pipe line will be completed to Winnipeg and Emerson?

I am informed by Trans-Canada Pipe Lines Limited that it is expected the line will be completed to Winnipeg by late August or early September. With regard to Emerson, there are at this time no plans to build a line south from Winnipeg to Emerson.

The second question reads:

Has consideration been given to any extension of the date of repayment of the $80 million loan to Trans-Canada Pipe Lines beyond April 1, 1957?

The answer is no.

Mr. Stanley Knowles (Winnipeg North Centre): May I ask a supplementary question. Does the statement that there are no plans for building the line from Winnipeg to Emerson indicate that there has been a change in the plans of the government, or of Trans-Canada Pipe Lines, with respect to the export of natural gas?

Mr. Howe (Port Arthur): It has no meaning except that Trans-Canada is not at this time making plans to build the pipe line south from Winnipeg to Emerson.

Inquiries of the Ministry

OLD AGE PENSIONS

INQUIRY AS TO POSSIBLE INCREASE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare?

An hon. Member: Oh, oh; here comes a speech.

Mr. Hamilton (York West): He has been waiting for this opportunity.

Mr. Knowles: In view of the number of Liberal members who are joining us in asking for an increase in old age pensions, may the people of Canada assume there will be such an increase before this year's general election? What amount of increase does the government have in mind?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, my hon. friend is too mature in politics to not know that if the government proposed to take a particular course it would not be in answer to any of his questions.

Mr. Knowles: May I ask a supplementary question. Is the minister aware that there are many people in Canada, old people particularly, who are greatly disappointed that such an increase was not indicated in this year's speech from the throne?

Mr. Martin: Mr. Speaker, the government is aware, as is indeed every hon. member of this house, that there are instances of need, but this government feels satisfied that the people of Canada generally know that it has taken the lead in these matters and in accordance with capacity is prepared to do so again.

[*Later:*]

Mr. F. G. J. Hahn (New Westminster): I should like to direct a question to the Minister of Finance supplementary to the question asked of the Minister of National Health and Welfare. In the minister's opinion has the financial capacity of this government reached such a position as referred to by the Minister of National Health and Welfare, that it is able to give an increase to those on the old age pension?

Hon. W. E. Harris (Minister of Finance): Annually the Minister of Finance makes a statement on the financial affairs of the government and its capabilities. I expect to be doing that some time during this session.

Inquiries of the Ministry

NATIONAL PARKS

GRAND PRÉ—INQUIRY AS TO STATUS OF NEGOTIATIONS FOR PURCHASE

On the orders of the day:

Mr. G. C. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, may I direct a question to the Minister of Northern Affairs and National Resources. Can the minister advise the house of the state of the negotiations between his department and the Société de l'Assomption and the Dominion Atlantic Railway with respect to the acquisition of the Dominion Atlantic park at Grand Pré?

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): Mr. Speaker, the conditions covering the purchase of the park itself from the Dominion Atlantic Railway have been agreed upon and the same is true with respect to the purchase of the museum from the Société de l'Assomption. I have been authorized by my colleagues to enter into agreements with the society and the company for the purchase. As soon as this is done the Grand Pré park will be proclaimed a national historic park.

LABOUR CONDITIONS

PAYMENT OF PREVAILING RATES TO CIVILIAN EMPLOYEES AT DOCKYARDS

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): Mr. Speaker, may I direct a question to the parliamentary assistant to the Minister of National Defence. Upon what basis are wages paid to civilians employed at H.M.C. dockyards in the country? Do these wages and working conditions conform to prevailing rates in industry in the different parts of the country?

Mr. Paul Hellyer (Parliamentary Assistant to the Minister of National Defence): Mr. Speaker, if I understand the question correctly it is whether wages at each H.M.C. dockyard conform to prevailing rates. They conform to the general prevailing rates in the area.

GRAIN

WHEAT—REPORTED REDUCTION OF GRADINGS

On the orders of the day:

Mr. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a question for the Minister of Trade and Commerce. Could the minister inform the house if orders have been given to grain elevator companies to hold down the grades on wheat and, if so, by whom the orders were issued?

[Mr. Harris.]

Right Hon. C. D. Howe (Minister of Trade and Commerce): The grades of wheat are set by the standards board, which is made up largely of producer representation. Those grades are established at the beginning of the crop year, and no one can change the standards thereafter.

Mr. Dinsdale: A supplementary question. Is the minister aware that wheat grading No. 3 in November is now grading No. 4? I have some concrete evidence on that which I could submit.

Mr. Howe (Port Arthur): No, I am not aware of that and I do not believe it. I think my hon. friend had better stick to questions on subjects he understands.

[*Later:*]

Mr. E. G. McCullough (Moose Mountain): Can the Minister of Trade and Commerce inform the house if any changes have been made in the grain act as to quality requirements which would justify the lower grading of western wheat, both in local elevator storage and newly delivered grain? If not, can the minister account for such degrading taking place in western Canada?

Mr. Howe (Port Arthur): There have been no changes in the grading regulations or the grain act. There have been no changes in the inspection staff of the board of grain commissioners. Anyone who is doubtful about the grade he is given at an elevator can send a sample to the inspection department at Winnipeg. He has always had this privilege. In this way he can obtain an official grade which will be based on the grades established by the standards board to which I referred earlier.

Mr. McCullough (Moose Mountain): May I ask the minister whether or not he has received any notification from elevator line companies of the degrading of grain in elevator storage?

Mr. Howe (Port Arthur): I would have to examine the files of the department to make sure, but nothing has come to my personal attention in the nature of a communication of that kind.

FREIGHT RATES

MARITIME FREIGHT RATES ACT—INQUIRY AS TO POSSIBLE REVISION

On the orders of the day:

Mr. George H. Hees (Broadview): Mr. Speaker, I should like to direct a question to the Minister of Transport. Has the government any plans for revising the Maritime Freight Rates Act to bring it in line with

the intentions of 1927, which were to enable the maritime producers to compete in central Canadian markets?

Hon. George C. Marler (Minister of Transport): All I can say is that the matter is under consideration.

EXTERNAL AFFAIRS

PRIME MINISTER OF UNITED KINGDOM—INVITATION TO VISIT CANADA

On the orders of the day:

Mr. J. C. Van Horne (Restigouche-Madawaska): Mr. Speaker, I should like to direct a question to the Prime Minister. Has an invitation been given or is one contemplated to the new Prime Minister of the United Kingdom to visit Canada during his intended visit to the United States?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, in accordance with what has always been the practice, if and when there is an acceptance of an invitation to the British prime minister to visit Washington, an invitation to visit Canada will be extended to him, and I hope his engagements will make it possible for him to accept such an invitation.

FINANCE

GOVERNMENT POLICY IN RELATION TO INFLATION

On the orders of the day:

Mr. John Pallett (Peel): Mr. Speaker, may I put a question to the hon. Minister of Trade and Commerce. Can he give the house the benefit of his opinion as to whether or not the policies of this government have created a position of inflation in this country at the present time?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, my fee for that opinion would be quite heavy. I do not think I will offer it free.

Mr. Pallett: May I ask a supplementary question. Is the minister aware that he is already receiving quite a substantial fee from the Canadian people for this service?

Mr. Howe (Port Arthur): That fee is for other services, sir.

REQUIREMENT FOR CASH DEPOSITS BY STOCKBROKERS

On the orders of the day:

Mr. L. D. Crestohl (Cartier): I should like, Mr. Speaker, to direct a question to the Minister of Finance. The minister is no doubt aware that a firm of stockbrokers, R. Moat and Company of Montreal, was recently declared bankrupt, exposing hundreds of clients to serious losses. Can the minister inform the house whether stockbrokers, like banks and insurance companies, are obliged to make substantial cash deposits with the superintendent of insurance or another branch of government as a safeguard against such contingencies?

Hon. W. E. Harris (Minister of Finance): My immediate answer would be that I am not aware of any, but perhaps I had better check the record and see. I will make a statement.

HOUSE OF COMMONS

INQUIRY AS TO BROADCASTING OF QUESTION PERIOD

Mr. A. W. Stuart (Charlotte): I would like to address a question to the Minister of National Revenue. Have any requests been received from radio broadcasting or television stations to make use of the question period in the House of Commons as a sort of quiz program for the benefit and amusement of the general public?

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, I have no knowledge of any such requests, but if they be made I think, perhaps, the results would be more entertaining than informative.

BRIDGES

NUNS' ISLAND—INQUIRY AS TO COMMENCEMENT OF CONSTRUCTION

On the orders of the day:

Mr. W. M. Hamilton (Notre Dame de Grace): Mr. Speaker, will the Minister of Transport inform the house when construction is expected to begin on the Nuns' island bridge in the Montreal area?

Hon. George C. Marler (Minister of Transport): I am afraid I have not the information available at the moment. I will have to make inquiries.

AIR TRANSPORT

ARRANGEMENTS FOR EMERGENCY LANDINGS IN UNITED STATES

On the orders of the day:

Mr. J. W. Murphy (Lambton West): Could the Minister of Transport say whether, under whatever arrangement has been made between Canada and Mexico with regard to the flight of Guest Air Lines, any regulation requires the pilot to land in the United States should one or more of the engines cease to operate?

Hon. George C. Marler (Minister of Transport): I know of no such provision in the bilateral agreement between the two countries, but I would have to examine the position

in order to see whether anything in the agreement might bear the interpretation which the hon. member has suggested.

Mr. Murphy (Lambton West): Then I would like to ask the Minister of Trade and Commerce this. If such an event occurred during the operation of one of the T.C.A. planes would the pilot land his machine for repairs?

Right Hon. C. D. Howe (Minister of Trade and Commerce): In case of any difficulty in the air the pilot has the right under our bilateral agreements to land at any airport. Which airport he would use would depend, naturally, on the pilot's own discretion. There is no requirement that he should land, but he can land at any airport if he decides to do so.

BROADCASTING

INQUIRY AS TO REPORT OF ROYAL COMMISSION

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): May I ask the Prime Minister if the royal commission on broadcasting has yet submitted its report and, if so, when copies may be available. If not, may I ask when the government expects the report to be submitted?

Right Hon. L. S. St. Laurent (Prime Minister): The report has not been submitted, but I know the commission is proceeding as expeditiously as possible. No date has been fixed for the submission of the report to the government, but as soon as it is completed and has been regularly submitted to His Excellency the Governor General it will be the endeavour of the government to make copies available to members of the house as quickly as arrangements can be made to do so.

LABOUR CONDITIONS

CANADIAN PACIFIC RAILWAY—APPOINTMENT OF ROYAL COMMISSION

On the orders of the day:

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I should like to inform the house that there was adopted this morning, and it has been approved by His Excellency the Governor General, an order in council setting up a royal commission to deal with the matters that it was agreed would be referred to a royal commission in connection with the dispute between the Canadian Pacific Railway and the union of locomotive firemen and enginemen. I have not yet had certified copies, but as soon as the material work can be done copies will be transmitted to the Clerk of the house for tabling. Perhaps in view of the general interest in this matter hon. members would like me to read the text of the order in council into the record. If that is desired I would be prepared to do so at once.

Some hon. Members: Agreed.

Mr. St. Laurent (Quebec East): It reads as follows:

The committee of the privy council have had before them a report from the Prime Minister stating that in order to provide for settlement of the dispute between the Canadian Pacific Railway and the Brotherhood of Locomotive Firemen and Enginemen, which gave rise to a cessation of operations on the railway in January, 1957, it is desirable to appoint a commission under part I of the Inquiries Act to inquire into and report upon the unresolved issues in the dispute.

The committee, therefore, on the recommendation of the Prime Minister, advise:

1. That:

The Honourable Mr. Justice Roy Lindsay Kellock, puisne judge of the Supreme Court of Canada,

The Honourable Mr. Justice Campbell C. McLaurin, chief justice of the trial division of the supreme court of Alberta, and

The Honourable Mr. Justice Jean Martineau, puisne judge of the court of Queen's bench for Quebec

be appointed commissioners under part I of the Inquiries Act to inquire into and report upon all matters they deem necessary in order to answer, and to answer the following questions:

(a) Are firemen (or firemen helpers) required on diesel locomotives in freight and yard service of the Canadian Pacific Railway, including the eastern, prairie and Pacific regions and the Quebec Central and Dominion Atlantic railways?

(b) If not, what terms and conditions, which would be fair to the firemen, to those who use the railway, to the railway company, and to its other employees, should be observed by the railway for the purpose of protecting firemen now in its employ against the consequences of the loss of such employment and seniority therein?

(c) Should the provisions in the present agreements between the railway company and the brotherhood concerning "arbitraries" and the "mountain differential" be maintained, dropped or modified, and if in the opinion of the commission they should be modified, how and to what extent?

2. That the Hon. Mr. Justice Kellock be chairman of the commission;

3. That the commissioners be authorized to exercise all the powers conferred upon them by section 11 of the Inquiries Act;—

That section authorizes them to engage counsel, experts or clerks, the staff they may require for the performance of their duties.

4. That the commissioners be authorized to secure technical advice and assistance from the members and staff of the board of transport commissioners and from any other board, commission, agency or department of the government of Canada;

5. That the commissioners be authorized to engage the services of such counsel, staff and technical advisers as they may require at rates of remuneration and reimbursement to be approved by the treasury board;

6. That the commissioners adopt such procedure and methods as they may from time to time deem expedient for the proper conduct of the inquiry and sit at such times and places as they decide from time to time; and

7. That the commissioners report to the governor in council.

Mr. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I think all of us will be very happy with the choice of personnel for the commission. Mr. Justice Kellock has attained for himself a reputation as a skilled chairman of commissions and one whose judgment can be trusted. The other judges bear similar reputations. I should like to ask the Prime Minister this question. Were the terms of reference submitted to the railway company and to the union? If not, I would suggest that even at this date consideration be given to the submission of the terms to both parties.

While the decision of the commission will not be binding on either party, I suggest that the submission of the terms of reference to both parties will at least ensure greater hope of acceptance of the decision by the parties. In other words, all the matters in issue should be covered by the terms of reference, and even at this stage I suggest if that has not been done the Prime Minister might consider it.

Mr. St. Laurent (Quebec East): The terms of reference were not submitted to the railway or to the union. I personally attended the meetings at which the memorandum which I tabled in announcing the resumption of service was agreed upon and signed, and I received a full explanation from both parties as to what they considered were the matters that should receive consideration by the commission. I think the order in council has been drawn in the widest possible terms to cover everything that was envisaged in the agreement that was reached between the parties.

The leader of the opposition will remember that all these things were written into the agreement or are to be written into the agreement to be signed for the resumption of service, and are to be the subject of renegotiation. With respect to those that are referred to in this order in council setting up the royal commission, we have purposely not confined them to answering the questions that were discussed before me but have made the terms of reference cover all matters into which the commissioners may deem it necessary to inquire.

Mr. Diefenbaker: It is pretty wide.

Mr. St. Laurent (Quebec East): It is left to the commissioners to decide, upon representations that will be made to them by the representatives of the railway and of the unions, what matters it is important to look at in order to arrive at the proper answers to the questions they want to have decided. I think it is preferable to leave it in that form, and to leave it to the commissioners to determine what are all the matters that it is important for them to inquire into and report upon in order to arrive at the proper answers.

When the Leader of the Opposition reads the terms of the order in council I think he will find that it would have been difficult to have made it more inclusive, and that any attempt to define particularly what they should do would have been restrictive rather than otherwise.

Mr. Roland Michener (St. Paul's): While the Prime Minister is explaining this order in council, I wonder if he would indicate whether or not the findings of this royal commission in so far as they relate to the safety problem would be binding on the board of transport commissioners, whose responsibility I understand that to be, or whether the board of transport commissioners would have to deal with the matter afterwards.

Mr. St. Laurent (Quebec East): Well, Mr. Speaker, the only binding force behind the findings of the commission will be the force of public opinion, and what we think is just as impressive a royal commission of this number of persons as could be selected. It will not destroy the jurisdiction given to the board of transport commissioners to deal with any application that may be made to them at any time with respect to any safety matters concerning any kind of operation of the railway; that is a statutory provision that confers jurisdiction upon the board whenever any Canadian sees fit to invoke the exercise of that jurisdiction. But I would imagine that so far as the answers to all of these questions go, their effect upon decisions that might be required of the board of transport commissioners will be very considerable unless other facts than those which would appear to have been presented had to be considered. I am sure if the hon. gentleman were a member of the board of transport commissioners that is the attitude he would take, and I think he can assume that those who are members of the board of transport commissioners would take the same attitude.

Mr. Michener: Would the Prime Minister make the same observation with respect to the royal commission known as the Gordon commission?

Mr. St. Laurent (Quebec East): The royal commission known as the Gordon commission was not asked to answer any specific questions but to make a broad survey. This survey has been made and I expect, with regard to a number of points, there will be controversies, controversies that will be in the interests of the proper consideration of the problems that are apt to arise. I am sure that here again the hon. gentleman will agree with me that

anything that focuses and stimulates public interest in matters of public concern is a good thing for the proper handling, in a democratic way, of the affairs of the country.

Mr. J. M. Macdonnell (Greenwood): May I ask the Prime Minister whether the order in council contains—because if so I missed it—a time limit for the report?

Mr. St. Laurent (Quebec East): No, Mr. Speaker; and the hon. gentleman will see, if he refers to the document that was signed, that it was suggested they commence immediately and that they report not later than October 1, 1957. In transmitting to the members of the commission the provisions under which they will operate, it is my intention to convey to them that suggestion made in the agreement between the parties, and to inform them that the government concurs in the suggestion.

[*Later:*]

Mr. W. M. Hamilton (Notre Dame de Grace): Mr. Speaker, I have a question for the Prime Minister. In view of the fact that he kept secret the findings of the Gordon commission report from this house and the public for over five weeks after its receipt, will the Prime Minister assure the house that in the unlikely event he is still prime minister he will release the findings of the commission on the diesel problem immediately they are received?

Mr. St. Laurent (Quebec East): The Prime Minister kept nothing secret. As soon as the report was received an order in council was prepared and submitted to His Excellency the Governor General, as is required by constitutional practice, and instructions were given to have the two versions of the report printed just as quickly as possible. We hoped it would have been possible to make them public before the end of the year, but that proved to be impossible. We did not think it would be proper, even had it been possible to get them by January 3 or January 4, to have them published two or three days before parliament was meeting. We felt that unless there would be some substantial advantage in having them published before the meeting of parliament, parliamentarians would prefer that they be communicated to them before they were communicated to the press and made public. It was for that reason that we asked the printer to be sure and have them ready so they could be tabled and published at the earliest possible moment after parliament met. I did say that I thought it would be preferable not to have them given out at the same time as the new Leader of the Opposition was making his first speech in parliament, because we did not want the hon. gentleman who has asked the question, or any other hon. gentleman, to suggest that we had endeavoured to blanket the report of the speech the new Leader of the Opposition was to make in parliament.

Mr. Hamilton (Notre Dame de Grace): Mr. Speaker, will the Prime Minister now give the house the assurance requested, that there will not be a similar five weeks' delay in the case of the findings of the commission on the diesel problem?

Mr. St. Laurent (Quebec East): The Prime Minister will give the house the assurance that he will discharge his responsibilities to the best of his ability.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like to direct a further question to the Prime Minister in relation to his answer about the royal commission on the railway settlement. Does the Prime Minister consider that the terms of reference of the commission would allow the commission to make recommendations to the governor in council that might lie beyond what could be included in an agreement between the company and the union, if the evidence they received made the commissioners feel that was a desirable thing for them to do?

Mr. St. Laurent (Quebec East): Well, Mr. Speaker, I would be very surprised if the commission went beyond the requirements of the order in council. If they came to the conclusion that they had received information that was of such importance that they should discuss it and make representations about it, well, I suppose that would be a matter that would be within their discretion. The order in council does not tell them that they must not say anything that is not absolutely required to answer the questions, but I would be surprised if those gentlemen went beyond the task that appears to be assigned to them by the order in council.

CRIMINAL LAW

INQUIRY AS TO REPORTS OF ROYAL COMMISSIONS ON INSANITY AND SEX OFFENDERS

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): May I direct a question to the Minister of Justice? In view of the fact that about two years ago two royal commissions were set up under the chairmanship of the chief justice of the high court of Ontario to look into the matter of insanity as a defence to various crimes and the problem of sex offenders, how soon may we expect a report from either or both of those commissions?

Hon. Stuart S. Garson (Minister of Justice): In reply to my hon. friend's question I may say that we have one of the reports, and it is being translated into the French language. As soon as the copies of both the English and French texts are available they will be tabled. With regard to the other commission—

An hon. Member: Which one?

Mr. Garson: The first commission had to do with insanity as a defence to charges of criminal responsibility. The second one, the one which is still outstanding, has to do with criminal sexual psychopaths. That has not yet come to hand, and on my last checking with the chief justice he rather hesitated to state any definite period within which it was likely to come, but I am hopeful it may be before prorogation.

PENSIONS

INQUIRY AS TO INCREASE IN CANADIAN NATIONAL RAILWAYS MINIMUM PENSION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Minister of Transport whether he is yet in a position to answer my two questions of Tuesday concerning retired employees of the Canadian National Railways whose pensions are limited to $25 a month? Has he received any further representations concerning this matter? Whether or not such representations have been received, will further consideration be given to the plight of these retired employees?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I promise the hon. gentleman I will give him an answer just as soon as it is possible for me to do so.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Wednesday, January 16, consideration of the motion of Mr. R. F. L. Hanna for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Diefenbaker.

Mr. F. D. Shaw (Red Deer): Mr. Speaker, before proceeding to the consideration of certain matters which I deem to be of vital consequence at this time I should like to refer briefly to a newspaper report of yesterday, a report which was referred to before the orders of the day were called today, respecting the development of the Alberta tar sands.

After reading that report I could not help but feel that the Minister of Mines and Technical Surveys did by omission, if in no other manner, leave the impression with the uninformed that the government of Alberta and the Alberta research council had had nothing to do with the development of this area. Such an impression is completely divorced from the fact. I shall not deal with this matter further at this time, but later on we shall have a good deal to say about it.

On Monday, January 14, Mr. Speaker, we watched and listened with a good deal of interest when the hon. member for Swift Current-Maple Creek (Mr. Studer) addressed this house.

Mr. Ellis: Singing his swan song.

Mr. Shaw: It was a speech liberally garnished with what the newspapers at one time called "Studerisms".

An hon. Member: Stupidisms.

Mr. Shaw: Someone interjected "stupidisms"; that is not an expression I coined. We listened and laughed, but we also do that when we listen to and watch Mickey Mouse and Bugs Bunny. First we intended passing off what he said, but for one or two reasons I find it necessary to give some consideration to it. In the first place I wonder if he did keynote the Liberal campaign for the next election in the course of that speech. That would be quite possible to my way of thinking, because it would be then the type of campaign which the Liberals carried on in both British Columbia and Alberta during the last two provincial elections, campaigns consisting in the main of insinuations, innuendoes and inferences designed to cast doubt and suspicion if indeed they did not result in complete character assassination. We all know that all their charges, if one could call them that, were considered by an impartial royal commission and none was found to be true.

Mr. Byrne: Not in British Columbia.

Mr. Shaw: I am talking about Alberta, and what I say would be equally true in British Columbia. It was the same type of campaign, completely divorced from fact and truth.

Mr. Byrne: In British Columbia the statements have been found to be correct.

Mr. Shaw: Page 207 of *Hansard* is stained with expressions which seem to me to be completely foreign to the record of a democratic institution. We associate such words as "hypocrite" with the language used by those who support a political philosophy which is causing us our greatest concern in the international sphere, and which constitutes the greatest threat to the peace, security and happiness of democratic thinking people. I feel rather sad that one whom I believe is capable of better

things should use such expressions. I find that such expressions—and let us remember they were used in this house and directed at those of us who sit here as Social Crediters—usually can be attributed to one who finds it completely impossible to answer by argument and the presentation of evidence. Such expressions usually come from those who are afraid, and who see before them the early twilight of a short and possibly uneventful political career. I say again that we very much regret their use.

However, there are one or two rather amusing things in connection with that same matter. First let us consider the expression "splinter group". The hon. member said we were a small splinter group, a chip off the Liberal block. Well, I say to him if that small chip can be described by such words as "hypocrites" and "jokesters" what words would he use to describe the entire block itself? I am waiting to hear that. Later on toward the end of his references to us he invited the Social Crediters to come back into the fold, despite the fact that he described us as hypocrites and jokesters. Does he mean to tell us that the Liberal party has deteriorated to the point where even if a small number of hypocrites and jokesters were brought into it this would bring back to it an air of respectability? Perhaps he can answer that question some time.

Mr. Nicholson: He does not have a word to say today.

Mr. Shaw: I am not going to make further reference to that particular part of his speech, Mr. Speaker, but I will say again that language of this kind surely has no place in the records of this house. But let me tell him just one other thing. After all, if we are jokesters and hypocrites as he says we are, it is interesting to remember that each and every Social Credit member sitting here was chosen in preference to the Liberal candidate who ran against him.

Early in his speech the hon. member gave considerable thought, or I should not put it that way; rather he occupied considerable time dealing with agriculture. I have analysed what he said and it amounts to this. Farmers are having difficulties and there are three reasons for it. The first is themselves, the second is the consuming public other than farmers, and the third, those people who did not send Liberal members from every constituency in western Canada. That is what the hon. member's reasoning narrowed down to, and I confess I was amazed at the suggestion that non-Liberal members from western Canada, small in number as they are, could actually prevent the government with its overwhelming majority doing for the western farmers those things which are considered necessary in order to bring stability to their industry. The hon. member as much as admitted that the Liberals who come from western Canada are such poor salesmen that they cannot sell to their government with its overwhelming majority those things which they deem essential for western agriculture.

The hon. member did admit there were a few things wrong and his admission was in these words; what the farmers want are stabilized prices and full production. The hon. member of whom I am speaking and every other Liberal member of this house from time to time over the past number of years has been given ample opportunity to support opposition motions, resolutions and amendments designed to achieve those results, yet look at their record. It is always on the pretext that it is a want of confidence motion, that the poor government will be defeated if it is carried, that the hon. member refuses to vote against such motions, resolutions and amendments. In other words the hon. member says, "My party ahead of the welfare of my people". That is just what it amounts to.

An hon. Member: What does it amount to out in Alberta?

Mr. Shaw: The hon. member said the farmers want crop insurance for those years when there are no crops. He has had ample opportunity to support propositions advanced by us with a view to bringing about that end, but again the record is the same. He said the farmers want unemployment insurance to be extended to farm labour, and the same applies there. He said the farmers want more storage for their grain and equalized freight rates so they are not penalized because of where they live. There has been ample opportunity over the years during which he and his colleagues have occupied seats in this house to support measures designed to bring about those results, but in all cases the record is the same; "the safety of my party and the position it occupies in the house ahead of the welfare of those whom I should be prepared to jeopardize my own position to help."

Mr. Studer: Could I ask the hon. gentleman a question?

Some hon. Members: No.

Mr. Shaw: Mr. Speaker, I object to any interruption.

Mr. Deputy Speaker: May I advise hon. members that the hon. member who has the floor may not of course be interrupted without his consent.

Mr. Shaw: The hon. member said, "May I answer you?" No, he may not, because it is my time. Why waste time?

Mr. Lesage: He said, "May I ask a question?"

An hon. Member: What do you know about it?

Mr. Lesage: I heard it.

Mr. Ellis: How many speakers are there in the house?

Mr. Shaw: Shall I proceed?

An hon. Member: With what?

Mr. Shaw: Reference was made by the hon. member to another matter, and I feel it essential that I also make reference to it. For what reason or for what purpose or with what fear I am not certain, but he referred to the so-called sterilization law. He did not say so, but he definitely left the impression that this legislation had been sponsored by the Alberta Social Credit government and put on the statute books during their tenure of office. That is not true.

Mr. Studer: There were amendments.

Mr. Shaw: That legislation was put on the statute books of Alberta by the government which preceded the present government. That legislation was endorsed by the legislative assembly of the province. It came into being as a consequence of widespread requests. It has been used most sparingly and with tremendous care, and applies only to the mentally ill and then only where treatment has failed. Administration is under a medical board with representation from women's organizations. The consent of relatives is necessary. I emphasize that it applies only to the mentally ill when treatment has failed. Why the hon. member said that if he came under the jurisdiction of such legislation he would immediately jump in the ocean and start swimming remains for him to explain.

I wish to make only one other reference to the speech of the hon. member. I do not know that I can figure out what this means, as it is really a confusion of words. As far as I know it has not been corrected. Nevertheless I am going to read it as it appears on page 207 of *Hansard* of January 14. The hon. member is reported as having said:

> Did you read the recent commission's report in New Zealand, where there was a Social Credit government of what Social Credit is?

I am not suggesting that he was not mistaken or misquoted—perhaps it was taken down incorrectly—but that is as it appears. I know what he was referring to. He was referring to a dispatch which came out of New Zealand written by Douglas Leiterman of the Ottawa bureau of the Southam news service, I believe dated December 27, 1956. I am rather surprised that he did not have that dispatch before him.

The dispatch referred to a royal commission which had been set up to examine into monetary policy and so on. Of course if one had gone back to read of the events leading up to it and had read the evidence, as I have, he would know that the commission had been set up for one purpose only, to try to destroy the Social Credit movement in that country, a movement which had been able to secure 14 per cent of the national vote in the 1954 election.

The heading of this dispatch is all wrong because it says "Royal commission killed Social Credit." No royal commission can kill Social Credit; no inquiry can kill Social Credit. Hearings have been held here, but with what result? There has been a steady increase in the membership and growth and strength of the movement. It will interest the hon. member to know that never has the New Zealand association had a larger membership than it has now, never has it been in a better financial position.

Then the next headline is, "Nobody even laughs at it anymore." I can remember the days when there was much laughter in this country, but people laughed only when we were weak. They quit laughing when they realized that as a force in the affairs of this nation we were no longer a joke. If it is true that nobody laughs any more we can take that as one of the best signs based on our experience in Canada.

There is another thing I want to mention about this dispatch. Is our next election going to be characterized by guided political missiles? I understand that the Minister of National Health and Welfare went on a rather lengthy tour. Fine; I support the idea. He was cementing friendly relations, which is a good and admirable objective. He participated in Colombo plan discussions, which was an admirable thing. It was also admirable that he should take other people along, some to publicize his trip.

However, to the extent that Canadian taxpayers may have in any way financed Mr. Leiterman's trip, even if only by providing free transportation, I object. I object to that sort of thing because the report is designed deliberately for one purpose and one purpose only at this time, on the eve of an election. The hon. member for Swift Current-Maple Creek has demonstrated the purpose for which it is to be used. I object as a Canadian taxpayer and as a Social Crediter to having any part of my taxes used,

if such were the case, to finance any part of a newspaperman's flight from here to other countries of the earth if this sort of thing might be the purpose behind it.

Knowing the Minister of National Health and Welfare as I do, I realize that he probably knew nothing about this. He was thinking in terms of the great sphere of international politics, not national politics. I know the Minister of National Health and Welfare would be the first to object to this sort of thing. Maybe someone in the government will inform me whether Mr. Leiterman received free transportation or anything else by way of service and so on which would be charged back to the Canadian taxpayer. I would like to know. Free transportation must be included, because we the taxpayers must finance the cost of the Canadian aircraft which was used and the many thousands of gallons of gasoline which were consumed.

Reference was made by my leader to the effect upon the present economy of the present system of credit controls. The thing which has surprised me is the condemnation which has come from many quarters of this country of the way in which this particular policy has been applied. One of the most interesting editorials I have read came out in Saint John on October 24. It was included in *The Fundy Fisherman.* This editorial states:

> In announcing another raise in the bank rate last week the Bank of Canada showed an utter disregard for public opinion here in the east and the strong protests that have come from the different parts of Canada against high interest rates, which protests the Bank of Canada simply ignored. This is about the sixth time that bank rates have been increased in little more than a year and now . . . the people of Canada are being saddled with the highest interest rates that have been paid in over a quarter of a century.

Let me just go on to read a significant assertion like this:

> The directors of the Bank of Canada have never given any sensible reason for their action.

Further down it says:

> The different regions of Canada are represented on the board of the bank but it appears that these directors have nothing to say—they are all as "mum as an oyster".

Later the article goes on:

> It seems to be clearly a case of taxes being imposed on citizens without representation.

And still further on:

> The cost of living is inflated by abnormal interest rates in the same way as it is by extra taxes.

Then the article stresses this:

> No inflation exists in this part of Canada.

I do not know whether that is a statement of fact, but considering all the reports which have come to us from that part of Canada, reports given to us in this house, it is suggested that there is a substantial element of truth in this statement. I quote again from this editorial:

> The people of the eastern provinces are a careful and saving people and have invested many hundreds of millions of dollars in bonds of different kinds, especially bonds of our various governments, federal and provincial. We have many large and small investors, especially the latter, all of whom have bought these bonds in good faith.
>
> Just consider where these bondholders stand now. Their losses are appalling, all owing to the Bank of Canada's action in raising interest rates to the highest level in the generation. Millions untold have been lost by small investors who can ill afford to shoulder such losses.
>
> Government bonds that were sold to investors at par are now worth in the market place between 80 and 85 cents on the dollar. It may be all right to say that if the people who invested their savings hold their bonds until they come due 15 or 20 years hence they will be redeemed at par, but tens of thousands of investors cannot wait. They have children to educate with their savings, hospital bills to pay and possibly a house under construction and many other obligations to meet.

Further on still the article continues:

> Bonds to finance new projects such as we have now under way in the maritimes are next to impossible to sell, except at a great discount, which makes the cost of the money derived from the bonds far too high a cost for the venture capital that is absolutely necessary for these new enterprises.

The editorial concludes by saying this:

> A trail of lost hopes and wreckage is bound to follow in the wake of a usurious bank rate as far as our maritime provinces are concerned.

Mr. Speaker, that is only one of the editorials which have appeared in publications in various parts of Canada. Another significant aspect of the subject is this, that such controls are actually not proving effective. Pick up almost any newspaper any day and you will find a list of many commodities, many of them in daily use, the prices of which have again moved up. This policy is not proving effective; in fact it is making it difficult if not impossible to carry out other aspects of government policy such as housing. Some of the most devastating charges have been made with respect to the effect of this policy upon Canadian housing. The Minister of Public Works is, on the one hand, endeavouring to expand his house-building program to meet urgent needs, while on the other hand the policy of the Bank of Canada is making it virtually impossible for the program to succeed.

Thus it goes on. The whole situation is in fact developing into one where we find an irresistible force working against an immovable object. Let hon. members figure out what the consequences of that may be. That is the position into which we are rapidly moving now because of the blanket application of the credit restriction policy.

Surely the responsible minister of the government will have something to say about the suggestion which came from the leader of this group with respect to the application of selective credit controls.

Now, Mr. Speaker, I wish to refer for a moment to the subject of old age pensions. Call it our welfare program if you like. It is highly significant that after a number of years so many supporters of the government, Liberal members, should now be standing here and urging an increase in the basic pensions payable to our people. That is fine. I sometimes wonder why some of them did not start a long time ago, and I am certain in my own mind that they would not be doing it now if they had not been given a tip-off on certain proposed action on the part of the government.

If the government is going to act, I might ask why was such intention not set out in the speech from the throne. The answer to that is easy. The government will say that it did not really intend, at the time it brought down the speech, to take any action along these lines; but all the speeches from Liberal members have persuaded them that it is in the public interest. I can just hear the Minister of National Health and Welfare making the announcement; I can see his speech as though it had already been prepared.

Well, Mr. Speaker, we shall support such a proposition; in fact, we have urged it for years. The $40 basic pension paid now is not worth as much as the $20 when it was first paid in my province in 1929. In the most recent cost of living index it is reported that food is one of the commodities which have contributed toward the further increase in living costs. The situation, as we have pointed out for so long, is desperate. In only three provinces in Canada have pension recipients received any additional income since this $40 basic pension was brought into operation. In Saskatchewan, Alberta and British Columbia the pensioners secure substantially more than the basic $40, and there is not a Liberal government in any one of those three provinces.

An hon. Member: Thank God.

Mr. Studer: You are using Liberal money.

Mr. Shaw: That is an indication of just how thorough the hon. member's knowledge of the whole situation is. There is no section of Canada which has contributed more to the welfare of this nation or to our national economy than the province of Alberta. They have paid for more than this government has ever given or is ever likely to hand back to the people of that province.

Mr. Studer: Then distribute it.

Mr. Shaw: Mr. Speaker, without the provinces there would be no Canada as such. The strength of this nation has come from the provinces and what has been done within the provinces. Sometimes I wonder why it is that over the years the national government has wormed its way more and more into the activities and fields of provincial jurisdiction. Is it so they could hand back a pittance, a few dollars, to the provinces and then claim credit for everything that was being done in the provinces.

We have seen that in connection with hospital construction. True, the national government is contributing toward hospital construction, but you could not build one hospital with what they give. The municipalities bear part of the burden. Ottawa says, "We will hand this much back to you if the provincial governments will match it dollar for dollar". They are giving us nothing. They are handing back to us part of what they have taken from us.

Nothing in this day and age, Mr. Speaker, short of an additional $20 a month to the recipients of old age security, a purely federal responsibility, will suffice. Nothing short of authorization to the provincial governments to increase the basic pension under the Old Age Assistance Act by $20 will suffice. There will still be some fringe difficulties, but at least we will be recognizing a need and we will be assuming our responsibility to our pioneer citizens.

I am going to move an amendment, Mr. Speaker, but before doing so may I suggest that there are people who will give lip service to certain propositions but who are strangely absent when it comes to a question of giving their open support. We feel that the members of this house should be given the opportunity to show clearly where they stand. For that reason I move, seconded by the hon. member for Battle River-Camrose (Mr. Smith):

> That the amendment be amended by inserting after the word "parliament" the following words:
> "and, by reason of their failure to take effective action to stop the continuous rise in the cost of living; their failure to lay down and follow policies under which Canadian farmers and other primary producers can enjoy an equitable share of the prosperity which Canada can achieve; and their failure to bring old age pensions and other social security payments into line with the present cost of living."

Here is a great opportunity—

An hon. Member: Contradictory.

Mr. Shaw: —for members of the house to face up to things in a practical manner. Some Liberal is going to say that this is a want of confidence motion. Well, what if it is; what

if we defeat them? Their days are numbered anyway. Why let them suffer longer? Let us put them out in the interests of those who are crying for our consideration. I should like to know where the hon. member for Swift Current-Maple Creek will stand on this amendment.

Mr. Studer: At least I will produce some of the money you are willing to spend.

Mr. Shaw: You know, Mr. Speaker, we can say this for the hon. member. As I said earlier, like Mickey Mouse or Bugs Bunny he can give us plenty of cause to laugh.

Mr. Studer: Like Aberhart.

Mr. Shaw: We are certain that those who desire to do so can manufacture some good reason for not supporting our amendment. It will be nothing new.

Mr. Studer: The government of Alberta will not support an opposition member's motion.

Mr. Wylie: Oh, you keep quiet.

Mr. Shaw: The hon. member is always ready to speak about Alberta, even though he has not yet demonstrated a knowledge of what is going on there, though he is close enough to the province that he should know.

Mr. Studer: Nothing is going on there.

Mr. Shaw: Speaking of Alberta, I am going to give the hon. member a suggestion. He is looking for advice, and I presume he is looking for election issues. Undoubtedly he would like some good advice for the next federal election.

Mr. Studer: Where would I get it?

Mr. Shaw: Do not make the mistake that was made in the last provincial election. In my riding the president of the Alberta Liberal association went on the air and urged the electorate to support the president of the Alberta Progressive Conservative association, who happened to be a candidate in that constituency. It was one of the most fantastic things I have ever witnessed. I do not blame the Conservative candidate for accepting their support. I do not blame him for going on the air and thanking the president of the Alberta Liberal association for having done that. I think he felt that he owed them something.

I say to the hon. member for Swift Current-Maple Creek that instead of bothering and worrying himself over things about which he has not much knowledge, he should concentrate on trying to resolve some of these situations. Possibly Liberal candidates in western Canada may then become more acceptable to the general electorate. I trust that our amendment will secure the support of the entire house. I think members of the house generally would be thanked by a large cross section of the Canadian public.

Mr. Albert Lavigne (Stormont): Mr. Speaker, I wish to congratulate the hon. member for Edmonton-Strathcona (Mr. Hanna) who so ably moved the address in reply to the speech from the throne.

(*Translation*):

I also wish to congratulate sincerely the hon. member for Gloucester (Mr. Robichaud) who fulfilled his task so well in seconding the address in reply to the speech from the throne.

(*Text*):

To the hon. member for Prince Albert (Mr. Diefenbaker) I offer my sincere congratulations on his success within his party. I wish also to pay tribute to my predecessor who so ably represented the county of Stormont for close to 20 years and who today, as an employee of this government, is administering the business of the St. Lawrence seaway in a most efficient manner. We in Stormont are proud of his achievements, and I am sure that all Canadians will remember him for many years to come.

I am happy to note in the throne speech that it is the intention of the government to come to the aid of municipalities by authorizing payments of grants in lieu of taxes on federal properties receiving normal municipal services. I am sure the electors of Stormont who will benefit by this legislation will be forever grateful to this government.

I should like to thank the members of the house in the name of the people of my riding for passing legislation that will bring about favourable changes in the county of Stormont and the city of Cornwall. I am referring to the St. Lawrence seaway development that will bring to our boundaries ocean navigation and a power potential which, along with our labour pool and the future availability of natural gas delivered by Trans-Canada Pipe Lines, will make this area most advantageous for the establishment of industries which, I am sure, will find in our municipality co-operation and advantages unknown elsewhere.

I want to congratulate the Prime Minister and the Minister of Labour for their efforts in settling the recent railway strike.

In the northern part of the county of Stormont we have a group of people who earn their living by means of mixed farming, most of their products finding a market in the cities of Cornwall and Montreal. However, the county is known especially for the quantity and quality of its cheese production. For many years Stormont has been one of

the chief cheese-producing counties in Ontario, and from recent reports it is still in that category. In the matter of quality I should like to refer to the achievements of Mr. Harold Montgomery, who for the past two years has won trophies emblematic of the best entries in a commonwealth-wide competition. To the south we have the development of the St. Lawrence river and the power project, which stretches from the eastern extremity to the western boundary of the county.

We are in an area of great activity and prosperity. We have great confidence in the future development of our county. However, we find, like all other places which have experienced rapid development, that we lack certain transportation facilities which will be needed if we are to keep pace with our industrial potential. I am referring, Mr. Speaker, to airport and certain harbour facilities which will be urgently needed in this area.

I have no intention of dealing with the problems of all the industries in Cornwall and the surrounding area. May I acquaint you with the industries in this area and their products so you may know of the contribution which is being made to the national economy. Courtaulds (Canada) Limited manufacturer of rayon, artificial silk, and tenasco, a relatively new product that goes into the manufacture of tires and other allied products. We have the Howard Smith Paper Mills, Canadian Industries Limited, with whose products I think you are all familiar, Dominion Tar and Chemical "no-co-rode pipe", Kemkall-Bishop, citric acid, T.C.F., transparent cellulose film, Howards & Sons, chemicals, and many others whose products are sold locally.

In the city of Cornwall we have an important branch of the cotton industry. We have established in Cornwall Canadian Cottons and Dundas Mills, and more recently Dundas annex. Employed in this industry are an important number of citizens who have to work under the fear of a lay-off and under conditions inferior to others, because the industry has to compete with imports from subsidized and cheap labour countries.

Mr. Speaker, I wish to appeal, on behalf of the people who are employed in the cotton industry, to the government so they may live and work without fear of a lay-off at unexpected times, and so they may have better working conditions. I hope this matter will be given serious consideration and, if we are responsible for this situation let us rectify it so the cotton mill employees may enjoy the same privileges and the same security enjoyed in other industries.

(*Translation*):

Mr. Speaker, in deference to representations which have been made to me by a group of my constituents, I feel I should deal with the question of family allowances, a social security measure instituted by a Liberal government in 1945, and one whose benefits are well known.

In answer to those who insist upon a new increase in the basic allowance, I might say that the Liberal party having put forward this social security measure twelve years ago will know how to improve it in due course. However, the question is not without its importance since family allowances at the present time take up $400,000,000 out of the total annual budget.

Family allowances have not only raised the standard of living of our people, more particularly that of our large families, but they have stimulated Canadian economy by increasing the purchasing power of an incalculable number of Canadians without, on the other hand, constituting too heavy a load on taxpayers as a whole.

Since the institution of family allowances Canadians, especially those of the working classes, are better clothed, better fed and better housed. Moreover, the intellectual level of our people, thanks to greater educational possibilities, has been notably increased. It's all to the credit of the people of Canada, in the way of national culture.

It cannot be denied that the cost of living has greatly increased since 1945, when family allowances were brought in. Since then, there have been constant adjustments in wages and prices in general so it would probably be time to think of a new adjustment of family allowances.

Consequently, so that family allowances might again have the purchasing power they had in 1945, I urge the government to raise the amounts, and I do so on behalf of large families, which, as is well known, are not always the most privileged but are nonetheless the human potential on which rests the future of Canada. The government is duty-bound to think first of the human person whose natural surrounding is the family, the cell of society.

I should be very glad if that adjustment were made at this session and I do hope that the Minister of National Health and Welfare (Mr. Martin) will be able to implement that request from a representative who is mindful of the welfare of the families of his constituency.

(*Text*):

Mr. George H. Hees (Broadview): Mr. Speaker, since the appearance of the Gordon report a few days ago it has been seriously

studied in all parts of the country. It represents a great deal of work, both on the part of the members of the commission and also by those who submitted briefs and who appeared before the commission. The report gives us an opportunity to have a look into what we might expect to see happen here in Canada during the next 25 years.

The main purpose of the government in setting up this commission and in having it make its report just before a general election is to attempt to create in the minds of the public the idea that all the good things which the report forecasts will take place in the next 25 years, and will take place only if this government is returned to office.

Mr. Lesage: It is the only way.

Mr. Hees: The report has been made close enough to the general election with the purpose in mind that the government can slip and slide around the tricky questions, and thus avoid answering whether it intends to implement any of the proposals contained in the report. Instead it can simply indicate during the election campaign that if the Liberal government is returned to office all of these things, and I mean all of them, will come to pass.

Therefore, Mr. Speaker, the purpose of this report is mainly political. It is, in short terms, election bait. It is a desperate attempt on the part of the government to cover up the many things which the government knows it should have done and has not done, by dangling before the eyes of the voting public the attractive vision of things which can be expected to come to pass some time in the next 25 years. It is going to be put to the voting public by liberal speakers on platforms from one end of this country to the other that all they have to do is vote Liberal, re-elect this government, and these things will be done immediately.

I think, however, Mr. Speaker, that the voting public has become wise to the Liberal techniques. They know that what they are going to hear is nothing but the usual tripe, and that there is no basis in fact for what they are going to be told. The Liberal party will find in the next election that this form of approach falls like a lead balloon.

Now, of course, Mr. Speaker, anything that is detrimental to the government, such as its tight money policy, has been conveniently left out of this report. The fact that this policy is hamstringing the construction industry and denying to young married couples the homes they so desperately need in which to bring up their families, has been conveniently forgotten. There is also no mention of the fact that a great deal of unemployment and many bankruptcies have been caused by this stupid policy which the government has insisted on pursuing.

Now, of course, it is well known that the chairman, Mr. Gordon, will soon be rewarded for the political chore which he has performed so well by being invited into the cabinet. Very soon we can expect him to take his place beside the other members of the cabinet as the new minister of defence production. The plan, of course, is that he will soon take over the complete portfolio of the present Minister of Trade and Commerce, and that is the bait that was used. It is too bad; I am sorry his term of office will be cut so short, because it is pretty well recognized by those who observe political matters closely that the term of office of this government will end on June 17 next.

Mr. Bennett: Did you see the Gallup poll?

Mr. Hees: One thing this report does tell us is that during the next 25 years the consumption of power in this country will increase by three times. Because this government has no power or energy policy, this report has been very careful not to make any embarrassing suggestions of a specific kind as to what the government could and should do in order to assist the provinces develop this greatly enlarged quantity of power that will be needed. Since there is also no mention of any proposed legislation in the speech from the throne which will assist the provinces to develop power and natural resources within their borders, we must expect for the next few months a continuation of the government's do nothing, hope and grope policy in this regard.

Now, Mr. Speaker, you might well ask at this point, what should the government do? In New Brunswick it should start immediately —it should have started a long time ago—to assist Premier Hugh John Flemming to develop the half million potential horsepower on the Saint John river by backing his power development bonds and enabling him to obtain the money which he needs at a considerably lower rate of interest.

Mr. Lesage: Will the hon. member permit a question?

Mr. Hees: Yes.

Mr. Lesage: Is the hon. member aware that we are still waiting for the data on the possible storage on the Tobique river that we were promised by the government of New Brunswick some months ago in order to be in a position to make a decision on the request of that government?

Mr. Hees: My information is that you have had information on that subject for a long time.

Mr. Lesage: Well, Mr. Speaker—

Mr. Hees: We differ. My information is that you have it.

Mr. Lesage: I have not received it. I am the one who would know, and I have not received it.

Mr. Hees: Well, Mr. Speaker, we shall just have to agree to disagree, because my information is completely different.

Mr. Lesage: I am the one who is supposed to receive it.

Mr. Hees: You are supposed to, but you do not seem to know.

Mr. Lesage: I have not received anything.

Mr. Hees: As I was saying before I was so rudely interrupted, Mr. Speaker—

Mr. Pickersgill: It is hard to be rude to the hon. member.

Mr. Hees: This policy would not cost the government one penny, and it would save the taxpayers of New Brunswick several million dollars a year.

Mr. Lesage: There is no definite project.

Mr. Hees: It would also help the premier of New Brunswick to produce power, which is badly needed; to attract industries to his province; and to enable that province to smelt their newly-found ores. This new power, which must be produced in the near future, will provide many thousands of additional jobs for the people of New Brunswick, and it will materially increase the standard of living of the people in that province.

However, Mr. Speaker, it has become very clear that this government is not interested in helping a Conservative government industrialize a province which badly needs industries. It might help the present government of New Brunswick stay in office and that, in the view of the federal Liberal government, is something which must be avoided at all costs. This is simply a return to the King doctrine of 1930, when he proclaimed that he would not give a five-cent piece to any province which had a Conservative government. Today we see the King doctrine of 1930 brought up to date. This is the St. Laurent doctrine of 1957; no help to any province that is not a Liberal province.

Mr. Nesbitt: He will not be helping many.

Mr. Hees: He will not be helping many. If Premier Campbell gets up his nerve and calls an election in Manitoba there will be one less. I will make a bet with any Liberal member that when that election does take place, Duff Roblin will become the premier of Manitoba, and all you will have left will be Prince Edward Island and Newfoundland. You are going to lose Prince Edward Island pretty soon. After that the Liberal party will be able to refer to Newfoundland as the island stronghold. That is all you will have, and it will not be long before you will lose that.

Mr. Pickersgill: Would you like to make a little bet about that?

Mr. Hees: Yes.

Mr. Lesage: You must have a lot of money.

Mr. Hees: Similar assistance to what I have suggested for New Brunswick would be of great help to the people of Saskatchewan in building the South Saskatchewan dam, which has been on the books for so long but which has been held up because the present federal government has refused to give any assistance whatsoever to the government of Saskatchewan. This dam will make possible half a million acres of irrigated land, and will transform the present half million acres of marginal wheat land into market garden crop land. It will be of great benefit to the province of Saskatchewan. It will also make available more than a quarter of a million horsepower of cheap hydroelectric power, which will make it possible to bring industries to Saskatchewan to diversify the economy of that province, and increase greatly the standard of living of the people there.

Is this government interested in making these things possible? Of course not, because in Saskatchewan there is a C.C.F. government, and if this help were made available it might help that government stay in power. As far as the Liberal government in Ottawa is concerned that must be avoided at all costs.

Then out in British Columbia this kind of assistance would be of great help in aiding them to build the Mica dam on the Columbia river. That dam will produce a million and a half horsepower of badly needed hydroelectric power. In 10 years British Columbia will be short of electric power; it will be short of all types of power unless something is done to produce additional power immediately. It will take eight years of engineering to build the Mica dam; therefore there are only two years of leeway to avoid a serious power shortage in British

Columbia, which would hamstring the industrial progress of that province.

Mr. Lesage: Engineering studies are going on now.

Mr. Hees: I ask, has this government proffered any assistance to the province of British Columbia?

Mr. Lesage: We have given them engineering service and we are still giving it.

Mr. Hees: What about backing their power bonds?

Mr. Lesage: That is a stage we have not reached.

Mr. Hees: Are you going to back their power bonds?

Mr. Lesage: This is government policy which will be announced in due course.

Mr. Hees: That is the kind of answer we get. That is typical of this government.

Mr. Lesage: What help could be given up to now has been given.

Mr. Hees: The government say that in the future, when it is convenient, they will announce to the house what they are going to do. In other words we are going to do nothing, but we just do not like to say so; that is all. I say, Mr. Speaker, it is about time this government stopped playing politics with power development—

Mr. Lesage: That is what you are doing.

Mr. Hees: —and went ahead with a national development policy which would give assistance to provinces to develop power and other natural resources within their borders; helping the provinces to get ahead and help themselves and increase the standards of living of their own people.

Mr. Lesage: You had better go and talk to Duplessis about that.

Mr. Hees: Turning now to another subject, what is the attitude of this government toward the welfare of the people? I think that question can be best answered by looking at the treatment the old age pensioner in Canada is receiving today. In 1950 this parliament, and I underline the words "this parliament" and not the government, decided to give the old age pensioner $40 to buy the goods and services which they desperately needed in order to carry on after the age of 70, and this was voted for by every hon. member of this house.

There is no magic in the figure $40. It was decided upon because at that time it would buy a certain quantity of the necessities of life, and it was that quantity of those necessities of life which this parliament decided to make available to the old age pensioner. Today you need $47 to buy exactly the same quantity of goods and services that you could buy for $40 in 1950. In other words the pension today, in terms of what it would buy in 1950, is worth only $33. This means that the standard of living of those relying on the old age pension has materially decreased. We in the opposition have pleaded year after year for an increase in the old age pension, and have brought up actual cases by which we demonstrated to the government the needs of the old age pensioners. The government showed nothing but callous disregard for these people. Now the government has suddenly come to the realization that they are facing an election, and with it has come the equally startling realization that old age pensioners have votes.

Mr. Dufresne: Everybody is talking about that now.

Mr. Hees: They have done nothing about it in the past because old age pensioners are unable to organize themselves and bring pressure to bear on the government, but old age pensioners do not have to be organized in an election. They simply go to the ballot box and mark an X. That is what this government are afraid of, so what have they decided to do? They have definitely decided to increase the old age pension, and my estimate is that the pension is going to be increased to something like $55 before this election. Mark my words, that is going to be done; and it will not be done through any love of the old age pensioner but simply because the government are afraid to go into the election and face the ire of those whom they have callously disregarded over the past three or four years.

Mr. Dufresne: It will be done out of love for the Liberal party.

Mr. Knowles: To what amount does the hon. member think the pension should be increased?

Mr. Hees: Mr. Speaker, this kind of philosophy that leads the government to take action only through fear of what will happen to them in an election if they do not take that action demonstrates clearly the political bankruptcy of this stumbling, bumbling, fumbling group of men who call themselves the government of Canada and whose only policy is the policy of hope and grope. It is high time that this old gang, this tired, worn-out old gang, this group who are ready to move to that rest home down the hall—

Mr. Lesage: Thank you, George.

Mr. Hees: —were permitted to go there; and because of the magnanimity of the Conservative party we will take you all into consideration for posts in the Senate when we kick you out on June 17, because that is where you have been preparing yourselves to go.

An hon. Member: What a dream.

Mr. Hees: It is about time this government, this weary group of men, were replaced by a Conservative government whose first consideration is always going to be for the welfare of—

Mr. Pickersgill: Themselves.

Mr. Hees: —the people all the time, and not just before an election. In addition, a Conservative government will implement the national development policy which we spelled out in this house at the last session—

Mr. Pickersgill: In that wonderful platform of yours.

Mr. Hees: —and which will assist in the development of power and natural resources. Cheap power will be made available in that way. The Conservative government will also introduce the sensible taxation policies which we have enunciated in this house previously, and which are completely contrary to the taxation policies of this present government. These policies will induce Canadians and those from other lands to invest their money in building secondary industries in every part of this country. These secondary industries will process a far larger proportion of our raw materials, materials which today, with the complete approval of this government, we are shipping out of the country to feed factories in foreign lands, and provide employment and profits which should belong to Canada.

We will build an industrial nation, where this government is perfectly satisfied to see this country remain primarily a producer of raw materials. We in the Conservative party believe that Canadian men and women, working in Canadian factories, can produce finished articles just as well as British, American, Dutch, French, German or any other workmen, working in factories in their own countries, with the Canadian raw materials which we so gladly supply to them. We also believe that an aggressive selling effort on the part of Canadians generally, led by this government, will enable Canadians to obtain a large part of the world's export markets.

Our national development policy and our industrial expansion policy will make possible jobs for all Canadians who wish to work at steadily increasing rates of pay. They will make possible increased social security payments on a sound economic basis by enlarging the sources which pay for social security. They will make it possible to bring to this country many thousands of additional people with exceptional skills and talents to fill jobs which there are not enough Canadians to fill because, with an industrial expansion of this kind, we are going to need many more people than we have or can supply ourselves. This increased population will broaden the tax base and make it possible to lower the burden on individual taxpayers. In other words, Mr. Speaker, these policies will enable this country to develop to its full potential.

In conclusion I just want to say this. On June 17 next I have a birthday, and it gives me great pleasure in contemplation to realize that in addition to celebrating my own birthday on that date, I and all members of my party that evening are going to be able to celebrate the birthday of the next Conservative government.

Mr. Goode: Mr. Speaker, I hesitated to interrupt the hon. gentleman in his bedtime story, but I wonder if he would now permit me to ask a question.

Mr. Hees: Certainly.

Mr. Goode: Would he tell me the date on which the British Columbia government asked the federal government to guarantee power bonds to build the Mica dam?

Mr. Hees: I do not know the date, but I know very well they are very anxious to have that kind of assistance.

Mr. Goode: They did not ask for it. Will he tell me if the British Columbia government have offered to back their power bonds?

Mr. Hees: If the Social Credit premier of British Columbia has not asked for that kind of assistance, he is even sillier than I thought he was.

Mr. Lesage: That is your judgment.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. A. J. MacEachen (Inverness-Richmond): Mr. Speaker, in common with other hon. members who have preceded me in this debate I wish to congratulate the mover (Mr. Hanna) and the seconder (Mr. Robichaud) of the address in reply upon their fine contributions to this debate. I am sure their

constituents had every reason to appreciate the distinction with which the important task assigned to them was discharged.

I believe that we as representatives of the people of Canada are in position to express gratification over the continued economic expansion of this nation, an expansion which is likely to bring increasing material rewards and provide cultural and spiritual opportunities for an ever-growing number of Canadians. I noted that yesterday in his excellent address the hon. member for Moose Jaw-Lake Centre pointed out that one of the chief domestic problems in this country was the problem of inflation. It is interesting to remember that for a 20-year period prior to 1940 the chief preoccupation of all democratic assemblies in every part of the world was the problem of deflation or mass unemployment.

I think at the present time we have every justification for feeling that the concentrated research and efforts made to overcome the problem of mass unemployment have yielded great results, and that in Canada in the future we are not likely to face this type of terrible dislocation. If that is so, I venture to suggest that in the future this parliament will show a growing concern that the fruits of our economic abundance shall be more fully shared by all classes and regions of this country.

Gross national product, net national product, national income, disposal income; all these are growing beyond the wildest expectations, and as aggregate measures of our national welfare are quoted to show that Canadians are better off than ever before. However, we are not representatives of economic aggregates, we are representatives of people. Although we rejoice at the general growth in our economy, we would be derelict in our duty and responsibility if we did not take measures to guarantee that all classes and regions of the country share in the general prosperity.

I wish at this point to express my appreciation to the government and especially to the Prime Minister and the Minister of Labour for bringing an end to the railway strike. The settlement was reached through the process of mediation and within the procedures of free collective bargaining. I am glad the government refrained from imposing a settlement in this situation. However, although the settlement of the strike makes us all breathe easier, there are still issues remaining resulting from this important national incident.

It seems to me that the railway strike has focused attention on a very important aspect of collective bargaining, namely the relationship between free collective bargaining and the public interest or national welfare. We in this country believe in the process of free collective bargaining. We believe that employers and employees should settle their disputes by negotiation, mediation or ultimately through inflicting economic losses on the other party through a strike or lockout. These procedures are at the very root of our conception of free collective bargaining. Indeed in the United States those assumptions were explicitly written in the first Wagner act.

It would be a bad thing for free labour and free enterprise in this country if the procedures of collective bargaining were impaired or destroyed. At the same time, what made this strike so important in the field of collective bargaining was the feeling that in some way the national welfare or the public health and safety of the nation were threatened. As I said at the outset, the conflict presented by this strike was in a sense a conflict between the continued exercise of free collective bargaining and the interests of the nation as those interests are reflected in the health and welfare of its citizens.

In this case because of the intervention of the Prime Minister the strike did not move to its final conclusion, nor was there any imposition of compulsory arbitration. Nevertheless the issue still remains, and it seems to me that when the passion and prejudice of a strike of this kind disappear the whole problem of the emergency or the public welfare aspect should become the subject of investigation by the industrial relations committee of this house.

Other states, particularly in the United States, have made some effort to deal with the emergency aspect. I refer in particular to legislation of the state of New Jersey. In that legislation definite procedures are laid down setting forth the method by which the state can cope with emergency disputes. One of the real problems in this whole area is to define what is actually an emergency dispute, in other words what type of dispute threatens the public interest and the health and welfare of the nation.

Under the New Jersey act a 60-day cooling and mediation period is provided for, including hearings, in connection with all labour disputes in "public utilities." Of course that phrase is subject to very broad definition. Seizure and compulsory arbitration may be invoked if any strike, work stoppage or lockout in the opinion of the governor might result in the failure to continue the operation of a public utility and threaten the public interest, health and welfare.

It is very difficult to define exactly what strike will actually threaten public interest,

health and welfare. Certainly every strike involves economic losses. In many strikes involving non-public utilities there are very grave and heavy economic losses. As an illustration of the difficulty of defining the nature of public emergency I should like to refer to a strike which occurred in New Jersey in 1947, when the employees of the Bell Telephone system went on strike and completely interrupted the telephone service. The attorney general of New Jersey stated:

> It is of course axiomatic that the telephone service is essential in the life of present-day civilization.

Later the supreme court of New Jersey agreed that in the economic and social life of today a method of communication such as the telephone was a vital and indispensable essential to the health, safety and welfare of the public. On the other hand, in the state of Massachusetts the governor, who at that time had a very outstanding labour management committee, asked an opinion of this body and they held that the absence of the telephone service would not jeopardize the public health and public safety.

The first problem in this particular area is to determine just what type of strike is involved, the magnitude of the economic loss and whether the extent of the inconvenience caused to the public would be such as to impair the public health and safety. I have not heard or read of any serious effort in this particular dispute to set forth the elements of what truly constitutes a national emergency arising from a labour dispute.

There has been a great deal said in this house and elsewhere both for and against the imposition of compulsory arbitration, and in discussing compulsory arbitration it seems to me the first consideration is the effect that compulsory arbitration is likely to have on collective bargaining itself. The best studies made of the experience in New Jersey reflect the opinion that instead of making agreement through negotiation easier, compulsory arbitration makes negotiation more difficult for both parties and undermines to some extent the process of collective bargaining. This is because, first of all, the disputants prepare for arbitration rather than for negotiation. The second reason—and all agree on this; labour, management and state—is that any reasonable effort made to reach a settlement by one party is usually taken by the other as a basis for bringing the dispute to arbitration in order to get a better settlement.

In Canada we have a set of rules applicable to collective bargaining in general, but no special set of rules which apply to both public utilities and emergency disputes. The whole area is very clouded and subject to a great deal of confusion. My own opinion is that it is not a healthy situation in the field of collective bargaining to have uncertainty with regard to the method of settling such disputes, and to have the whole argument reaching the Prime Minister's office where only the prestige and the skill of the Prime Minister himself can be used to provide the final momentum in settling difficulties of this nature.

I can think of no better subject for study by the industrial relations committee of this house than this problem of emergency disputes and the best possible procedure that can be used to settle them, consistent with the preservation of the best interests of free collective bargaining.

Mr. Speaker, many members of this house have already referred to the royal commission on economic prospects, and its report has become the subject of discussion all over Canada. It has been of particular interest to the Atlantic region, because many people from the Atlantic provinces felt that this commission would do for Canada what the Rowell-Sirois commission did for this country at an earlier period. The Rowell-Sirois commission, I believe, presented an economic and moral defence for the present fiscal arrangements and the present welfare community which has strengthened and made possible the continuation of the federation in this country.

It was my own feeling that the Gordon commission would attempt to set forth a particular program of economic redevelopment in the Atlantic provinces combined with a series of policy recommendations that could become the basis of legislative action by this parliament. The royal commission does recognize the necessity of such an approach to the problems of the Atlantic region. It states as follows:

> What is required is a positive and comprehensive approach to the problems of the Atlantic region. With this as an objective it is suggested that the people of Canada as a whole might be willing to assist the people of the Atlantic provinces in discovering, developing and making the best use of resources in that area.

It is very hard to make fair comment on the suggestions in this section of the report in the absence of the supporting studies of the commission and, in particular, in the absence of the analyses which guided the commissioners in reaching their conclusions. I am particularly interested in awaiting the study and contribution by Dr. Howland on the regional aspects of Canada's economic development. However, I believe general disappointment was felt that the Gordon

commission had failed to present at this stage a general program for maritime economic development.

The expectations of many, including myself, were not realized in this report. There is no integrated program for maritime redevelopment; there is no examination of the commercial and monetary policies pursued by the government that might have a favourable or adverse effect on the economy of the Atlantic region. And finally, there are no recommendations for stimulating the private sector of the economy in the Atlantic region. I have a feeling that the commission, for some reason, is out of step with the objectives of the Atlantic provinces economic council, which is now beginning a very comprehensive effort to solve some of the problems of the maritime region.

I hope the commissioners, who yet have to complete their final report, will remedy what seems to me to be a very vital deficiency in the preliminary report, namely the absence of a comprehensive and integrated program which might form the basis of maritime recovery.

Nevertheless there are one or two things mentioned in the commission's report which might form the basis for some discussion. The commission recommends the setting up of a capital projects commission to which the federal government would be expected to make annual contributions, and from which might be expected to evolve recommendations as to how public projects should be developed in the Atlantic region.

I cannot comment for the province of Newfoundland or, indeed, for any other province, but it seems to me that in the field of public projects the Atlantic region, or at least the province of Nova Scotia, has made the greatest headway. The federal government has already provided substantial capital assistance to public projects which merited consideration, among them the Canso causeway, the Yarmouth-Bar Harbor ferry and other schemes that come to mind. The suggestion of the commission would, it seems to me, simply make more formal the arrangement which already exists, and is likely to lead to difficulties in reconciling the various needs and requirements of the four governments who would form the group in the capital projects commission.

The commission itself lays great stress on the problem of transportation, and calls for a trunk highway system in the Atlantic region. Here again, in the field of road building and the provision of important links in our transportation system, to which I have already referred, considerable progress has been made in the Atlantic region.

One problem mentioned by the Gordon commission was the inadequacy of the present transportation arrangements between North Sydney and Port aux Basques and the alleged bottleneck that exists in the transport of freight between Port aux Basques and North Sydney. I have had occasion already to suggest to the Department of Transport that an alternative steamship service be established between the Avalon peninsula and Port Hawkesbury on Cape Breton island. As you know, the construction of the Canso causeway has resulted in the creation of an all-year port at Port Hawkesbury, and its outstanding possibilities could be used in the setting up of this alternative steamship service. I realize that the commission suggested that the alternative service might be set up between Halifax and St. John's, but I am sure the members from Halifax will generously allow this steamship service to be rerouted to my constituency.

The commission placed great emphasis on the lower income levels that exist in the Atlantic area, and it is true that the level of income is lower in that area than in the rest of Canada. The commission goes on to suggest that several methods could be adopted to overcome this disparity in income levels, and one of the final suggestions made reads as follows:

> Any serious attempt to raise income levels in the Atlantic provinces will soon break down into consideration of a series of problems which must be dealt with separately and individually.

Then it suggests that among the problems are matters which come within the general administrative competence of the federal government or its agencies, on which favourable decisions could provide some modest measure of assistance to one or other of the Atlantic provinces. I have a modest measure to propose to the government which I think will go some distance toward overcoming the disparity in incomes that now exists as between certain workers in the Atlantic region and in other parts of Canada. I refer to the prevailing rate employees of the federal government, particularly on the island of Cape Breton. I understand that under the procedure now in existence the Department of Labour strikes the prevailing rate that should be paid to federal employees, based on surveys, and then its recommendation is made to the various government departments.

I have in mind, for example, the employees at the Cape Breton highlands national park, Louisburg park, Point Edward naval base and, in the province of New Brunswick, the employees at Camp Gagetown. The employees in Cape Breton highlands national park receive an hourly compensation 30 to 35 per cent below the compensation paid to

equivalent workers in the province of British Columbia. This is so because the general wage level is lower in that area than in the province of British Columbia.

This policy of paying the prevailing rates accommodates itself to the lower wage rates existing in certain parts of Canada. I cannot see why we cannot pay a uniform rate to these employees as we do to civil servants and railway employees despite their location in the country. I believe the government should seriously consider paying a uniform rate to all prevailing rate employees in Canada. The uniform rate could be the equivalent of an average rate struck for the whole country, or the equivalent of the maximum rate existing in any particular labour market.

I know there are certain arguments in defence of the present policy. There are certain formidable arguments against it. For myself, I believe that our common Canadian citizenship should be a much more important factor in determining the rate of pay for government employees than our accidental presence in any particular labour market at any given moment. I urge the government to give serious consideration to the problem of prevailing rate employees, and to make an effort in this modest way to overcome some of the disparities that exist in income levels as between the Atlantic region and other parts of Canada.

I want to refer for a moment to the very welcome announcement made by the Prime Minister that a special study is to be undertaken of the problem of land use in this country. I have no doubt that such a study will inevitably lead to a consideration of the general economic forces determining the level of income for the farmers and the agricultural class of Canada. I am sure this opportunity so provided will result in a much wider understanding of some of the economic problems that are involved in getting higher incomes for the farmers of Canada. I must say that my own experience has been that on no other subject is there so much misunderstanding and confusion as there is on the economics of agriculture, and particularly the almost irreconcilable views that exist between the economists of agriculture and the philosophers of agriculture. I hope this opportunity will permit a meeting of minds between the economists and the philosophers, so that some agreed policy can be followed with wide public support that will provide to those who wish to farm a return commensurate to that of people in other occupations in Canada.

I had the opportunity just before leaving for Ottawa to have a discussion with the executive of the Inverness county farmers' association, and these men asked me to put forward two matters in the House of Commons. I believe the government intends to continue its present policy with respect to assistance on the movement of feed grains to eastern Canada. This policy has been of considerable advantage to the farmers of Nova Scotia, and they wish to have it continued as a permanent policy of the government.

The second problem brought to my attention is a problem that has been mentioned in the house before, and which has to do with the conservation of agricultural lands, particularly along the rivers of my constituency. There are many acres of valuable meadow land now being carried away because there is no provision by which the federal government, the provincial governments and the owners themselves can co-operate in a policy of conservation. I believe this is an immediate problem, and that it does not require the extended deliberations of a Senate committee to have some arrangements by which we shall conserve some of the best meadow land, certainly in my part of Canada and I am sure the same applies to other parts as well.

I have been interested in the discussions which have taken place on the subject of social security, and in particular the suggestions made in the house that the old age security payment be increased. I wish to assure my colleagues in the house that I have not been tipped off by the government or by anybody else as to the probable course of action that is to be followed in this matter. I prefer to be tipped off by the feeling of my own constituents, and in this case I can honestly say that of all the areas of need there is none which gets a greater response among the citizens of my constituency than any proposal to assist in a greater measure the older citizens of this country.

I would remind the house that the persons who are now in receipt of old age security in Canada are persons who were subject, in the course of their working and earning lives, to some of the greatest depressions and dislocations in our economy, and in many cases they are those who worked without the protection of improved legislation and without the protection of trade unions; whose earning capacity, certainly in their working years was much less than the earning capacity of their fellow citizens today. Here is one place where I feel that the usual sympathy with which this government treats those citizens can be very usefully employed.

I feel, Mr. Speaker, and I want to say this in conclusion, that the chief reproach

made against this government by the official opposition has been a reproach that it is lacking in leadership, that the Prime Minister and his ministers have failed to provide the necessary leadership in this country. Each member of the house, and each citizen of this country, will wish to decide for himself the confidence he places in this government. For myself I believe that the Prime Minister in his magnificent intervention in the Suez debate, and later in the debate on the address in reply, has shown himself to be a leader in the proper sense of leadership, that is leadership tempered by wisdom and long experience; and his understanding and vigour in the solution of the railway strike were, to me, considerable evidence of leadership.

The Secretary of State for External Affairs certainly needs no recommendations from any member of this house. His real leadership in the United Nations has earned the respect of all countries of the world, and he has shown himself to be a skilful and resourceful champion of peace in a manner that achieves practical results. Recently all of us were grieved and saddened at the very horrible events which occurred in Hungary, and in the press of this country there were admonitions and fears that the government would not respond properly to this challenge. I noticed recently that the editorial writers, from whom it is often difficult to extract any praise, have given the Minister of Citizenship and Immigration considerable praise and approval for the manner in which he has responded to this problem. Finally the Minister of National Health and Welfare has returned from a mission which again shows the manner in which the government is working to protect the interests of this country at home and abroad.

In the light of these few instances which I have cited, and there are others which could be mentioned, this government is certainly deserving of the confidence of the house; and I am sure, Mr. Speaker, that I will not hit the headlines by announcing that I intend to support the government in all the votes precipitated by this debate.

Mr. O. L. Jones (Okanagan Boundary): Mr. Speaker, like other speakers who have preceded me I must express my disappointment with the omissions from the throne speech of such important subjects as old age pensions, blind pensions, national health grants and so forth. But in spite of that I was rather pleased that it included one item which I was very anxious to see brought into effect; that is the extension of the Municipal Grants Act. I would like to compliment the minister for introducing it at this time. To my mind it meets a moral and legal responsibility of the government which they have evaded for many years. In spite of that, I would like to offer one or two criticisms of the act. I hate to look a gift horse in the mouth but to my mind grants, while welcome, are not the solution to municipal-federal relations in this field.

Many years ago the union of British Columbia municipalities condemned grants in aid in general as a very unsatisfactory way to recompense a municipality for any service rendered, on the ground that those grants can and do vary from year to year, and they can be withheld or increased or decreased at the whim of the government. It almost reminds you of a mother trying to train her child by offering candy; a little more if he is better and a little less if he is not, and so on, forgetting that eventually he will become an adult.

That is the trouble with the federal government. The municipalities are just as capable of handling their own affairs and finances as the federal government is in its field. I feel, therefore, that the federal government is not the body which should determine the value of the service given by the municipalities. I do not suppose this grant will have any relationship to that service, because the federal government is not in a position to assess it. Therefore I suggest that the municipality should make the assessment. For that reason the federal government should take full responsibility for all municipal taxes on all federal properties within the municipalities, just as any other taxpayer or any businessman has to do. In this way the municipalities could budget properly which cannot be done with the uncertain type of grants in aid. The government then would be assuming a responsibility which to my mind they have been evading for many, many years.

I was going to talk a little about agriculture this afternoon. When I mention agriculture most of you will immediately think of wheat, but I wish to remind hon. members that there are other important branches of agriculture, such as cattle and dairying, and so on. There is also what the government seems to regard as the Cinderella of the farm groups, and I refer to the fruit and vegetable growing industries. The Cinderella group is waiting at the present moment to try on a glass slipper. It may prove that it will be the right size. I refer to the provincial royal commission which is starting to work in British Columbia at the present time. They are going to investigate the problems affecting the fruit and vegetable industry of that province, but not of the whole of Canada. I hope when the investigation is finished and

the recommendations are made the story will have the same happy ending as the original Cinderella fairy tale.

I regret that the federal government could not see its way clear to join with our province in establishing a federal-provincial royal commission so the benefits of that commission could have been extended to other fruit and vegetable growing areas of Canada. In spite of the failure of the government to enter into a royal commission pact, the Minister of Agriculture has promised that he will give full support in supplying data and other information for the use of this commission. When those data have been submitted and the findings of the commission have been made we want sympathetic assistance from the federal government at the time it will be needed, because I am satisfied that the findings will include matters affecting the federal government, such as freight rates, tariffs, dumping, export policies, and so on.

I have not the time today to go into details, but I can assure the minister that these subjects will be and must be adjusted satisfactorily before we can restore a healthy economic condition to our fruit and vegetable industry. I would point out that the growers are not asking for charity; they are merely asking for a chance to acquire their fair share of the national income, which they certainly are not getting at the present time. As I pointed out to the house once or twice, their economic burden has been greatly increased by the loss of very valuable fruit trees which were killed by frost last year and one or two years before that. It will take many years to re-establish the trees on those farms so they will again be profitable to the growers.

Personally I feel that both the federal and provincial governments should have offered assistance to the fruit growers to help them through their period of difficulty, but so far neither government has done so, with the exception of the help given by the federal government to veterans whose farms had been ruined by frost. The federal government has started to try to help the veterans. How far it will go I do not know, but it has started.

As the royal commission is now starting to work on the problems of the fruit farmers, I will not take up the time of the house to discuss the matter in any detail at this time; but I should like to suggest to the minister that in future representatives of the fruit and vegetable growers of Canada as a whole be invited to appear before the agriculture committee of the house so the minister can hear from the operators and from the managers of the various organizations what the farm problems really are.

That is now done each year by the wheat growers. I support the wheat growers in their request to place before the government what they expect from the government. On the other hand, the fruit and vegetable growers are never invited to appear before the committee. As far as the committee is concerned it does not know that the fruit and vegetable growers exist. I would urge the minister to give them a chance to do this in the future. If it is done they can have their problems discussed. If it had been done in the past I am satisfied that the acute conditions in which they find themselves today could have been alleviated.

May I make one more suggestion to the minister. I am always pleased to praise the experimental farms in our province. They do good work on culture, on pruning, on farm practices and the use of by-products, but I should like to see the work extended. I should like to see another department to deal with marketing, transportation, packing and other matters vitally affecting the industry, placed under the experimental farms. The government could help immeasurably by adding a division to look after marketing, transportation and other problems of the fruit grower. The information obtained through an impartial and scientific study of marketing problems could be passed on to the fruit growers and it would be invaluable to them. Finally I would ask the minister to carry out his promise to give federal support to the investigation now taking place into the fruit industry of British Columbia.

I should like to deal briefly with the veterans. Their problem has been somewhat alleviated by the presentations made in this house by various veteran members, from time to time, but they have not all been ironed out. That is why I should like to draw the attention of the house to a copy of the *Legionary* which most hon. members must have received last week. I would ask the minister to study the excellent brief that the Canadian Legion recently presented to the cabinet. I do not intend to repeat the presentation here, but I do wish to endorse it. This brief was prepared by men who know the cost of war, who know that the present dangers may lead to war, who offered their lives for their country, and many of whom bear the scars of battle to this day. A brief prepared by such men deserves the closest study and attention by the government. I trust the cabinet realizes that and will act accordingly.

These men have made a close study of pensions as a whole, and have produced interesting comparisons of the increases in industrial compensation for services rendered since 1920 and the increases in war veterans pensions in the same period. I hope the minister will study the table. It

is most interesting. One recommendation, if accepted, would solve a very difficult problem. I refer to the veteran who has difficulty in establishing his claim after neglecting for many years to make the claim. Oftentimes he is turned down on the ground that the injury or disease was of pre-enlistment origin. The Legion claim, and to my mind quite rightly, that the government through its officials, doctors and others, puts each recruit through a very comprehensive and rigorous examination, and when the recruit is finally accepted it is presumed, or should be presumed, that he is physically fit and in a healthy condition. I agree with the Legion when they claim that the government should, for pension purposes, abide by the findings of their own medical examiners at the time of enlistment.

I should like to read the recommendation covering this:

> The Canadian Legion therefore recommends:
> That section 13 (1) (a) of the Pension Act be amended so that, where a pension applicant who served in an actual theatre of war is found to have a disability resulting from an injury or a disease not recorded on medical examination prior to enlistment, such injury or disease shall be presumed to have occurred or had its inception subsequent to enlistment.

I think that is a very fair request. Most of their requests are on similar lines. I would mention one or two. One is:

> That the ceilings on total permissible incomes under the War Veterans' Allowance Act be increased to $1,200 per year for the single recipient and $2,000 per year for the married recipient.

Another is:

> That the married rate of war veterans allowance be increased from $108 per month to $120 per month.

A further one is:

> That Canadian veterans of world war I whose overseas service was restricted to the United Kingdom be eligible for war veterans allowance, provided that such service be at least one year in duration.

I will read just one more:

> That widows of allied ex-servicemen be granted war veterans allowance in cases where the husband died before completing 20 years' residence in Canada, provided:
> (a) that the effective date of her eligibility be 20 years after the husband's arrival to take up permanent residence in Canada;
> (b) that the widow herself has completed 20 years' residence in Canada, and
> (c) that the husband and wife were both otherwise eligible.

I would pass on these recommendations of the Legion to the minister and the cabinet. I think they are modest and deserving and the Legion is not asking for anything more than the country as a whole is willing to give them. There are other recommendations, but I do not have time to go into them more fully. I sincerely hope the minister will do his utmost to put that brief into effect in order to carry out the wishes not only of the returned men alone but of every Canadian who feels obliged to the returned men for the service rendered on his behalf in protecting his home.

Before concluding I should like to mention old age and blind pensions. Like other hon. members of this house I have recently received numerous letters pleading with me as a member to do something on their behalf and outlining the difficulty they have in making ends meet. I am not going into the details of these problems, because you know them as well as I do; but they are serious problems, particularly those of the blind pensioners who have a severe handicap to begin with, plus the handicap imposed upon them by the small amount of their pension cheques.

The suggestion that the increase be made this year has already received support from all sides of the house, the Liberals, the official opposition, the Social Crediters and members of the C.C.F. party, and in addition it has the wholehearted support of all Canadians; for the need of a decent and satisfactory old age and blind pension is well known to every one of us. The least we can do is to keep on urging the government to assume this responsibility and alleviate the misery of these blind and old people by giving them a reasonable standard of living. Some of them cannot possibly get by on the present pension, and live on the charity of friends and relations. In many cases their lives are shortened because they do not have the wherewithal to buy sufficient sustenance. They are another group who, like the veterans, are deserving of a fairer share of our national economy. The aged are the pioneers who laid the groundwork which enabled our economy to reach its present standard; therefore to my mind they have a rightful claim to a far larger portion of the national economy which they helped to create.

I do not feel I am asking for too much when I request that immediate consideration be given to these matters. Do not use this as bait to gain votes at the election, because that will lose for you many friends. I am now referring to the minister or the cabinet, whichever you like, but I would urge in the name of common humanity and common justice that you immediately increase both the old age and blind pensions.

Mr. Daniel McIvor (Fort William): It gives me a great deal of pleasure to follow a fellow countryman in this debate, a young man who was born in the north of Ireland and travelled across the Atlantic and across this country as far as Edmonton from where he was sent back here to serve her most gracious

majesty; who has told her that we dearly love her and are going to do what we can to maintain Canada as a leading nation. I congratulate the hon. member for Edmonton-Strathcona (Mr. Hanna) on his splendid speech. I also would like to congratulate the other Irishman who seconded the motion. While the hon. member for Gloucester (Mr. Robichaud) is not altogether an Irishman he nevertheless has the honest look of one, and he did his part, too.

I would like to welcome to this house a group of very important persons, eight new page boys. I would like to tell them and those who are veteran page boys that we will treat them well and do our part for them, and they can feel at home with us.

I would now like to pay my tribute to a great Canadian who lived in Ottawa and who passed on last week. He was a classmate of mine over 60 years ago. I refer, of course, to Dr. John Woodside. He is held in very high respect and received the highest honours Canada could give him through the church and church councils. He was a man noted for his dignity, for his ability and for his kindness, and I pay my tribute to him.

I also wish to pay my tribute to a young man, the hon. member for Quebec East—

Mr. Dufresne: West?

Mr. McIvor:—whom we call the right hon. Prime Minister of Canada.

Mr. Dufresne: If you are speaking about me may I point out that I am from Quebec West.

Mr. Gauthier (Portneuf): No, he is not speaking about you at all.

Mr. McIvor: If the hon. member who is interrupting has imagination keen enough to suppose that he could take the place of the one of whom I am speaking, then he is welcome to it.

When the Prime Minister came into this house and served as the minister of justice I understood he had a drop of Irish blood in him because his mother was Irish, and I think he started out in the right way. He did not make a big splash at the beginning, but later he blazed a trail that has brought credit to Canada. In the last few days I have been somewhat tickled, Mr. Speaker, to hear the way the Prime Minister has been able to answer with dignity those questions that are honest requests for information; and when he is asked questions by those who seek to put something over on him he certainly lets them have it from the shoulder. At those times his face becomes a little redder, and although some call it righteous indignation I just say it's the Irish coming out in him.

The speech from the throne is a splendid pre-election speech.

Some hon. Members: Oh, oh.

Mr. McIvor: This is true, because it is built on the three pillars on which the Liberal party always builds, namely—

Mr. Ellis: Doing nothing.

Mr. McIvor: Liberty, unity and security. Even the leader of the C.C.F. said it had three good things in it. The hon. member who has just resumed his seat said there was one good thing in it. Even the hon. member for Regina City (Mr. Ellis)—

Mr. Ellis: Oh, no.

Mr. McIvor: —after criticizing it admitted there were some good things in it, and to my way of thinking there are many good things contained in this speech. I do not think anybody would say the establishment of a Canada Council, giving them the green light to go ahead, is not a good thing. Surely no one would say that the giving of grants to Canadian universities is not a good thing. If anyone said that helping the municipalities is not a good thing then I would say something is the matter with his upper story and he had better start to think things over again. The speech from the throne deals with almost every aspect of our economy. In addition to those things I have mentioned it refers to aid to agriculture and fishing, and the dividing into two parts of the national museum. I congratulate the government on the advice they have given to the Governor General in bringing down this speech.

I have a word to say concerning strikes. I know something about them, because I can remember stopping a strike on one occasion when a group of men employed in the same type of job I worked at for 15 cents an hour were considering striking.

An hon. Member: You were overpaid.

Mr. McIvor: Someone said, "Let us strike". There were 200 or more of us. I said, "I am not going to strike, because I have nothing to strike on. I have only enough to pay my board for a week, and I have to save enough to see myself through next winter. I am not going to strike; let us organize instead". As a result a committee met the builders' council, and an increase of 15 to 25 cents an hour was granted later on.

I should like to refer again to the hon. member for Regina City; he is a big fellow, and I know he will not mind. When the strike was on he said the government was doing nothing, that they were sitting back waiting for something to turn up. If this strike has settled anything, it has settled two things.

First, the government, especially three members in the persons of the Prime Minister, the Minister of Labour and the Minister of Trade and Commerce went all out in their efforts to settle the strike. The second thing this strike has shown is that the Canadian Pacific and the union officials are reasonable men who believe in co-operation.

I should like to offer a little advice, which I hope will be passed on to them. The C.P.R. officials, the C.N.R. officials and the officials of the Canadian Labour Congress would do well to get together and co-operate so there will never be another strike. They should realize the loss of business there has been because of the competition from highway and water transport. They must co-operate; they must work together.

I submit that strikes can be eliminated in three ways; first, by honest co-operation; second, by giving the men a share in the profits. This has worked out quite well in two places in Fort William, and if it works in Fort William it will work in Regina. The third way by which strikes could be eliminated would be by the application of the golden rule. This is the sure way. When you have that you have happy people working together.

I should like to say a word about northwestern Ontario. I remember when I first came down here I was told that all we had at the head of the lakes were big trees, big rocks, summer resorts and 40 below temperatures, all things that did not mean very much to the rest of Canada. That has all been changed. I would refer hon. members to *Trade and Commerce* magazine, and an article which appears on page 17 dealing with northwestern Ontario. This article indicates that nearly $400 million is to be spent in the expansion of primary industries of forest and mine and the development of electric power. It indicates that there is unprecedented growth all over northwestern Ontario. The government of the province of Ontario, under the leadership of Premier Frost, have certainly taken off their coats and gone to work in northwestern Ontario. Even though they are Conservatives they are doing a good job.

Fort William is leading in the development of northwestern Ontario. At the beginning of the year the Abitibi people announced they were going to expend $20 million in additions to their pulp and paper mill, and it is expected the expenditure will go beyond that. A gentleman came up from Quebec to manage the Great Lakes company, and it is noted that under his leadership they will erect the largest paper mill in the world. The first announcement was that there would be an expenditure of $40 million, but it is now indicated that the expenditure will be $80 million. They will have the largest wood yard in the world at Fort William.

Activities at Canada Car are becoming more steady all the time. They have had one million accident-free hours, which indicates co-operation between the workers and the management. They have received a contract for 250 diesel buses for the Montreal tramways commission. Just think what that will mean to a city which is growing by leaps and bounds.

Our city council supported the Hungarian committee and has agreed to receive refugees. We are very proud of that. Donald Clark and Sons, who purchased the Great Lakes sawmill, which has been idle for some time, have indicated that they will make available several houses in which workers used to be housed. These have been turned over, and according to word I received from the city clerk are being used to take care of refugees. We appreciate that very much.

We hear a great deal about the government going to the bow-wows. I hardly think that is so, because so many people outside of this country want to come to Canada. I will refer only to one group because of their characteristics. Four thousand Scotsmen every month want to come to Canada. Scotsmen are supposed to be sane and steady, with an eye for the future. Yet in the face of that fact an hon. member over there is likely to get up and say that we are going to the bow-wows.

Mr. Ferguson: If the Liberal government stays in power.

Mr. McIvor: It will not be out of power in my time, and I expect to live to be 100. I should like to tell the Minister of Finance how he can spend some cash. We have an old rink in Fort William which was purchased by the government and made into an armoury. It was a wooden building which had not been painted for 20 years, so you can imagine its condition. When I was showing the sights to visitors to Fort William I never took them there. We need a federal building, because the unemployment office is hard pressed for space. These people are located in the old post office. Under my late friend, Hon. Dr. Manion, a new post office was built and I had the job of putting somebody in the old building. I could not get anybody but a beer parlor to go in; then finally we handed it over to the Salvation Army for a rental of $1 per year. They were there for seven years.

The building was then taken back from the Salvation Army. I did not like it, but I do not say many bad words about the government because I want them to measure up.

They certainly did measure up. They gave enough for a down payment on a new building, $2,600 which will provide a place for the army. Therefore the Minister of Finance can spend some money along that line.

There are two other things about which the government can do something and which I have been advocating for the past four years. One is pensions for veterans. I have quoted several cases of men who were in the front trenches for four Christmas dinners. When they came back they were discontented and not at all like themselves, and they found it hard to settle down. I say that men who were in the trenches that long should receive a pension at 60 years without a means test. These men gave their best; they risked everything. A lot of them did not come back. These men deserve an old age pension without a means test at 60 years.

Another thing I have been advocating and which I have referred to previously is the case of the civil servant who has been on a small salary and has been retired. I have a resolution on the order paper which reads:

That in the opinion of this house the government should consider the advisability of introducing legislation to increase the pensions of civil servants who were retired when salaries were low, so as to bring such pensions more in line with the present.

I have visited some of these homes, and it is a pitiable thing to see. They are clean and tidy and in fine shape, but the people living in them certainly do not get three meals a day as I do. I will not say any more on this subject because it will be dealt with again in a full dress debate. I have spoken to the hon. Minister of Finance, and he has assured me of that.

I remember that before the last election I had a resolution on the order paper for three years in succession asking for pensions for the handicapped. This request was well supported by everybody, especially by some hon. members who have since gone to the Senate. The government did not wait until this session to grant those pensions; they did it immediately after the election, and I am expecting that right after this election the civil servants will receive their increased pensions and also that the veterans will get their old age pensions at 60. I would like to speak for the blind, but that matter will come up again on the budget.

Before closing I would like to congratulate the government on the steady way in which they are doing things and on the reputation they enjoy in the country. We will be happy to welcome anybody either on this side of the house or on the other side, after the next election, to tell us just how all these things should be done.

Thank you, Mr. Speaker, for your courtesy in allowing me to carry on.

Mr. J. H. Ferguson (Simcoe North): Mr. Speaker, I appreciate all the complimentary things the hon. member has said regarding the Irish. My forefathers came to this country from Ireland around 150 years ago and I consider myself a Canadian equal, almost, to any Canadian except for the redskins who were here before us.

I believe we members come to the House of Commons for the purpose of speaking our minds on the various subjects in which we should be interested, touching the welfare of our constituents and the well-being of Canada. Within the last few months the nations of the world have been confronted with some of the most momentous problems they have ever had to face. Nobody will deny that we have been close to global war, war which, had it occurred, would have brought unpredictable consequences.

We here in Canada belong to a very grand body of well-wishing people called the United Nations. We also belong to another community called the commonwealth of nations, the British commonwealth. If we had always had the type of man who was not too prone to forget what that word "British" means, we would have had today a commonwealth of united nations at which no country in the world would dare to shake a mailed fist. We were on the verge of having a commonwealth of nations which had within its orbit every raw material necessary to support the greatest combined group of countries in this world, a commonwealth containing Australia, New Zealand, the Malay States, South Africa, Canada and the British Isles.

These territories are rich in tin, wheat, cattle, metals and minerals of every type the world requires. All were to be found within the British commonwealth. We had the desire to help the wide world before we had set our own house in order. If we had done what we should all have been striving to do; if this had been accomplished; if we had worked more with the other members of the British commonwealth of nations; if we had speeded up our efforts, we could have gone to New York as members of the United Nations with a solid bloc of our people, speaking various languages but with a common purpose. We could have put our shoulders to the wheel and the combined effort would have made a tremendous difference to the whole United Nations set-up.

The two great nations of the world which have settled in Canada, and of whose people Canada is so proud, are France and the British Isles, England, Ireland and Scotland.

Alongside these are, fortunately, a good sprinkling of the right type of people who came to these shores from other countries such as Germany, Italy and Holland. We are proud of the type of men who are called Canadians today, workers, men of vision, men who want this Canada of ours to have a population sufficient to become a real power in world affairs.

But a problem comes up in the United Nations, and what do we find? We find, to my chagrin and shame, that the representatives of Canada appointed by this government are going in with the group who are not closely knit with us. Some members of this group are, indeed, very far from us. The Russians are far away. The United States is not knit to us; it is near. They soon tell us they stand, alone, when the time comes for them to do so. Our representatives at the United Nations did not take the position: we are sorry; we know you must have had some good reason for this tremendous move in sending British and French troops to Egypt.

Oh, no. They did not take the sympathetic stand which one member of a family usually does with regard to another, even if the latter had stubbed his toe, as happens on some occasions. This attitude could have been taken and should have been taken. Our representative at the United Nations was glad to stand in with the Russians and the United States in condemnation of the two mother countries of this Canada of ours.

I am speaking my own mind and voicing my own opinions when I make this assertion, but many, many Canadians right across this country are ashamed from the tops of their hats to their shoes, over the action which was taken on behalf of Canada by Canada's representatives. The Secretary of State for External Affairs (Mr. Pearson) is a very great man; he is a highly educated man; he has handled himself and the affairs of Canada is a most masterly manner. But he should have kept his tongue in his cheek at the United Nations meetings when his own flesh and blood were up against the situation that confronted the great statesmen of the British Isles. They believed it was necessary to go into Egypt to save their very lives and the lives of the people of France. It was not simply an individual who took that step. It was thought out more carefully than the Secretary of State for External Affairs thought out some of the statements he made at the United Nations. People do not send thousands of men to probable death unless it is the last straw.

For my part, I would have loved to see the French and British troops go right into Cairo and kick this dictator, Nasser, right into Russia where he belongs. That is my opinion. You are going to have to do something like that before this situation is cleared up. We now have the President of the United States telling us that he is going to do it when it suits him. I will tell you when he will do it. He will do it the minute that the oil needed by the United States is cut off, and he will not notify anybody.

If we are going on as we are our soldiers will be going to a war started by the United States and will be marching down Sparks street to the tune of Yankee Doodle. Yes, sir, the Yanks are coming. We will be cheered when we clear these people out of Egypt who are upsetting the entire equilibrium of this world, supported as they are by Russian munitions. When we liberate the people of Egypt the Yanks will be cheered and we will be included if we just keep going on as we are. That is not a very happy thought.

When France and England decided what they were going to do and did it Australia and New Zealand said: We are with you. I do not believe there is a man or woman in the House of Commons today who fears that if the British and French had gone on into Egypt the Russians would have dared to send any more munitions or any human beings anywhere in the Near East.

I saw some cartoons recently that were published in a leading Cairo paper prior to the people of Israel going into Egypt. One cartoon depicted a high, military shoe with a spur on it kicking a man with a pronounced Jewish expression on his face under the chin, kicking him out of the Near East. Another one from a leading Cairo daily paper showed a long knife dripping with blood and a chicken representing the people of Palestine with an incision in its throat and an agonized look. I am sure these cartoons were widely acclaimed by many people in Egypt who thought this great puppet and upstart, this imbecile ass, Nasser, would lead the Egyptians to conquer the world.

Nobody had the nerve to put their foot down two or three years ago when Nasser stopped the ships of Israel from going through the Suez canal, a waterway supposed to be open to all nations of the world. There is no doubt that the President of the United States knew of that situation. In my opinion, we have acquiesced in his requests for too long. British troops were taken away from the Suez canal. That was a nice, friendly gesture. They knew in their hearts that the right thing to do was to keep those troops there. But no, for the sake of a pacifist move

and because certain people would not face the realities of life these troops were removed from the canal area.

Lots of us will not face realities. Many times we do not do the right thing when we should and then we are confronted with an impossible situation. Let me tell you that the situation in the Near East prior to the British and French going into Egypt was an impossible one. It was not something you could fool with. What happened? At terrific expense the British and French moved in and then through the efforts of the representatives of the Canadian people at the United Nations and the efforts of the United States, not the little nations, the British and French were convinced that they should pull out for the sake of the peace of the world.

We are told that there are members of the British commonwealth who say they are going to withdraw from the commonwealth unless we let the Russians and the Egyptians run the better two-thirds of the empire. Well, if that is the kind of people they are the sooner they get out of the British commonwealth the better. Oh yes, my words are not ultra-diplomatic but they are the truth.

An hon. Member: Tory policy?

Mr. Ferguson: It may not be Tory policy but it is Julian Ferguson's policy. Where did the shoe pinch? It pinched on the continent of Europe and in England because of the oil situation. We in this country have grown fat on two wars. We do not know much about the shoe pinching but the people of the continent of Europe do. By withdrawing our troops from the Suez canal area we put the Egyptian people and this dictator in a position to block the canal, a world water passage. We did not threaten him in any way, shape or form with immediate action and carry it out if he did not permit the small, newly established nation of Israel to transport its products up and down the canal. No, we did not. Their voice was too small to be heard by the Secretary of State for External Affairs and the Prime Minister (Mr. St. Laurent).

The time to voice our opinion on behalf of these people was at the right place, at the right time and for justifiable reasons. We had the justifiable reasons. When we go to the United Nations do we always have to be so diplomatic that we cannot express our views and what our hearts dictate? Must we turn on the friend who will forget our action, not resent it and still be our friend? It is the kind of deed where you kick a friend because you know he is a friend and is not going to put up much of a row about it and will say: Oh well, he did not mean it.

Sir Anthony Eden and men of his calibre are saying, Oh, well, they did not mean it. Let me say to you that they did not need to do it. Our action has been misconstrued all over the face of the world to the detriment of the British commonwealth of nations and to the detriment of the free world.

It has been an incentive for a man like Nasser who tries to borrow money with one hand and who hits the donor with the other. It is the case of the dog that bites the hand that is feeding him. We are listening to that man. Here in Canada we are very proud of our regiment called the Queen's Own Rifles. We have every right to be proud of that regiment; they are the men who have defended the freedom of this country. The Secretary of State for External Affairs suggested with a great deal of pride that Canada would send troops to help keep the peace. The Minister of National Defence (Mr. Campney) who knew the great record of that famous regiment said, no doubt with pride, we are going to send a famous Canadian regiment, the Queen's Own Rifles. What happened? Let us face the facts. The Queen's Own Rifles were never sent because a puppet, a communist, a mean despicably-thinking man, a man who wants to cut the chicken's neck, said no.

I will say this about that Israel's chicken's neck; it is as good a neck as our neck, the neck to which Sir Winston Churchill referred. It was some neck when the hordes from Israel tore into Egypt. It was some neck and some chicken and the people of Egypt realize that today. They have $500,000 less in material that was shipped to them from Russia. Unfortunately at the present time the people of Israel are feeding 10,000 prisoners. If there is much more nonsense from that dictator I would certainly advocate that the people of Israel take another sock at them and clean them up properly. Do not let us just go home; in a few days let us not forget where the people of this country came from and where they started or how hard the battle was for our people to get in the position where we the people living in Canada today can say we have the most prosperous and progressive country in the world. It did not just grow on a tree, and we in the House of Commons had very little to do with putting us in the prosperous condition in which we are today and from which we are able to progress. We have been rather small contributors over the last 150 years. You have got to see just how much the last 20 years has contributed to the development of Canada. Let us go back a little further and give those people who hewed their homes out of the forests of this

country the credit which they deserve. Let us try to unite the British commonwealth of nations. Let us try to stick together. Let us foster gatherings of representatives of all those nations. In the various parts of the empire let them know that we are with them. Let them know that we seek for them to be with us, and let them know that we stand together. There is no nation in the world would dare to try to put anything over on us. We would sleep a lot more soundly at night than we may sleep if the British commonwealth of nations is broken or if we neglect our old friends who fought with us in the last war and the first war. We had the Japanese and we had the Italians in the first war. In the last war they were our enemies.

That great nation of France was invaded by the destroying German hordes. They are the people who stood with us and lost hundreds of thousands of men in the first war. In the one battle they lost 250,000 of the flower of the nation, one battle, 24 hours. It takes centuries to recover that kind of blood and that kind of manpower. Do not let us forget that. We had every right to say to our old friend France—and I say our old friend because I know France has been our tried and true friend and the tried and true friend of the British Isles. If Canada had cabled and said we are with you and with your country, and has asked for volunteers for an army to help to defend the decision of the British government, you would get thousands of real Canadians as volunteers. But there would be a lot of them who would be reluctant to march behind the tune of a Yankee bugle.

While I am on my feet I just want to say a word about prosperity and about that terrific calamity which occurred in the United Nations due to the attitude of the government's representative. In various parts of Canada, particularly up in my own part of the country, we have people seeking to get roofs over their heads and to get out of the boarding houses and, in the case of young people, to get away from the old folks' home and to build homes of their own. Now, we talk about prosperity. All right. We have now reached, under the management of this government over the past 20 years, a prosperity in which you cannot pay for a home in 10 years. It takes 30 years, if ever. We have now reached a position where you cannot borrow the money necessary for a newly married couple to build a home and get a roof over their heads. The government tells us you can buy a house, or they have been telling us that for a long time. They say all you have to do is go to the bank. After a lot of bickering and talking the banks have finally admitted that they will not make any more money available to young people to build houses.

Now, the manager of a bank operating in the town of Collingwood, where I come from, tells me, and I have asked the question several times, that they are not lending any more money for this purpose. That is prosperity. We are trying to curb that kind of prosperity. Let us curb something but do not curb the ability of people to get a roof over their heads. Let us scratch our heads so that we can get a thought as to how to overcome that obstacle, the obstacle of providing homes for the people of Canada. On the one hand we say, bring in immigrants, and I am heartily in accord with that. However, I hope they bring in men who are able to build houses and men who can lend money to the man who can only pay a reasonable amount down on a new home, so that he can proceed to build a new house. This condition exists across the country. People are not able to buy houses.

In the prosperity of today people are mortgaged to the hilt. The merchants in the smaller communities are finding business is not so good and when you inquire into it you find that the people are working but they are so heavily mortgaged that they will need to increase their wages before they are able to pay for the things which they are entitled to here in Canada such as refrigerators, electric stoves and automobiles. The average man who is willing to work should be able to have some of these commodities; they are not just luxuries, they are necessities. The automobile which you could buy in this country 12 years ago for $1,100 is now costing $2,600. The good home that you could buy for $5,000 is now costing $25,000. The bird cages which you are now getting are costing $15,000. When the young family move into a home now they get a warning, do not have any children because you will have to keep them out in the garage; there is no accommodation for them in the place. There is a living room, a bedroom and a kitchen. You could not swing a cat in it. It sells for $12,000 to $15,000. Well, that is prosperity. We must say something more than that we have prosperity. Unfortunately, people have learned to lean on the government to such an extent that the government finds itself in the position of having to be a guide and an aid to the great masses of Canada. We have the old age pension and unemployment insurance. Now there is talk of shorter working hours and more pay. Then, the commission the other day came out and

said, "Boys, a few years from now you are going to get $100 a week instead of $35 or $40. I had a carpenter working for me last week in Collingwood, doing some alteration on a building I own. He said, "Mr. J., we are going to have more employment in 25 years. Did you see where we are going to get $100 a week?" Well, I think I would have refrained from making that kind of statement if I had been on the commission. We all remember the difficult times we have gone through; all Canadians remember them. I do not know of any finer election statement that can be made prior to an election than that Canada is to have 25 years of uninterrupted prosperity. Unfortunately, the people of Canada are naive enough to believe statements of that kind.

The poor young fellow—he was a married man—who worked for me spoke of $100 a week and a 35-hour week. What a place to live in! I hope it comes true, but I would just as soon have $50 a week and be out of debt and pay for my home in 10 years rather than 30 years, and buy an automobile for $1,100 instead of paying $2,600 for almost the same kind of automobile. That is prosperity, all right, gentlemen; but we have to watch what we are doing. According to the press, the United States is paying two-thirds of its income on security. I do not know whether those figures include any money for the security of Canada; but if we keep on following them as we are doing we may have to look to them for money for our own security. We may have to ask, do you mind cutting us in on some of that because we have gone so far along the line that we cannot look after ourselves? We cannot even stand by our friends.

I should now like to deal with immigration. Since I have been in the House of Commons I have watched the various ministers of immigration. Shortly after the war this subject came up and the minister told us at that time that we needed immigrants. He said, "Canada is expanding, but we are short of ships". Well, we brought farmers out here, or men who said they were farmers. Many of them were school teachers, bookkeepers, nurses and so forth. They could not speak our language and had to learn it. After they had been here for one year they went back to their own vocations of life. I know a doctor and his wife from Rumania and Austria who served a sentence of one year washing dishes in Gravenhurst sanatorium. This graduate physician is now practising in Toronto. He will be able to tell his children when they grow up that his sentence was to come into this great country of ours, under the then existing immigration laws, and serve his term of one year washing dishes in the Gravenhurst sanatorium. That is the penalty that he had to pay. He will be able to say, "Son, are you not proud you are a Canadian, but I hope when you are old enough, and if you are able to reach parliament as a Canadian citizen, you will not penalize the people who want to come to this great country by making dishwashers out of doctors".

We have a trickle of immigrants coming to this country. There is a shortage of every kind of skilled labour in this country. I advertised in the *Star* and *Telegram* for two weeks for domestic help. I received three replies. All three admitted when I got in touch with them that they could not do the job but they just wanted to see what kind of job it might be. That is a reality. What is driving prices up? There is not enough good skilled labour to make labour properly competitive, and labour should be competitive. Efficiency increases in that way. Ever since the war this government has dilly dallied on the immigration question, which is one of the most vital questions in a growing country. We do not want farmers only; we want artisans of all kind, competent, honest, willing workers. We must plan the conditions under which they can be brought here under which they can be handled. We must have a strong and brainy, intelligent man in charge of the department to carry out the duties of that department in that manner. We do not want a man in charge of the department of immigration in this country who is criticized by the law society of the country; we do not want that type of man. He must be a competent and capable leader, and an exceedingly good businessman. He must be capable of co-operating with all other departments. The department of immigration is not the smallest of all the departments of a nation of 15 million people.

In the year 1957 in this great country of ours we have foreign capital developing this country so that our people continue to be hewers of wood and drawers of water. That is Liberal prosperity. I say that Canada is enjoying the greatest era of a certain type of prosperity that it has ever enjoyed. Millions of dollars are coming in from the United States, from Switzerland, from Germany, from England and from France. They are pouring in to develop our resources simply to give our people jobs, but in very few instances are they providing the cream of the profit to keep our people living over and above the old age pension. That is what we must have. We must have something

more than the satisfaction of saying to a man, at the end of your efforts do not forget that you can get $40 a month to keep yourself in comfort here in Canada.

While I am on this subject may I say—I am speaking for myself—I think $40 a month is a disgrace. It is something we should not let happen. It could be changed quite easily. If an increase were proposed by this government it could be passed in 15 minutes, unanimously, I hope, to put the aged people, who served this country so well, in a position to have a slight degree of comfort in the final years of their lives so that they would not be seeking food in garbage cans when they are not depending on their families to look after them and feed them.

Every member of parliament knows how much the cost of living has increased. What effort has been made by the government to increase by a fraction the old age pension? Members of parliament know the price of automobiles as well as anybody in Canada knows it and we know the price of roast beef; not everyone does because they cannot afford it. We know that the price of food, clothing and housing is going up. Has this government stopped in its tracks and said, "This is going to be difficult. There is one group of people whom we cannot neglect any longer". I refer to the people who helped Canada become the great nation she is, the people who cannot now fend for themselves. I am speaking on behalf of every old mother who produced great Canadians for the future who is now hobbling along the street in ill health forced to live in a cold and bleak home in the city of Toronto, Montreal or elsewhere, eking out an existence on $40 a month, when we all know in our hearts that this sum is not adequate.

I am not asking for a luxury but for an increase that is long overdue. This is something that should be done without further procrastination, without further debate or political promises, long before the election—now.

Mr. Speaker, I have simply voiced my opinion here today on some subjects which are of great concern to me personally.

Mr. C. W. Carter (Burin-Burgeo): Mr. Speaker, I should like at the very beginning to associate myself with the very fine and well deserved tributes which have been paid to the mover and the seconder of the address in reply to the speech from the throne in recognition of the excellent manner in which they have discharged their duties. By the high order of their speeches and the manner in which they were delivered they have enhanced the tradition of this chamber and reflected credit both on themselves and on their constituencies.

The speech from the throne refers to many matters which are of particular interest to my province and to my constituency. Apart from international affairs and economic developments which directly concern all Canadians from coast to coast there are three items dealing with education which show that the government recognizes both the vital necessity of attaining the maximum development of our human resources and the problems associated with it. The proposals to set up a Canada council for the arts, humanities and sciences, to double the grants for universities and to increase and improve grants for vocational and technical education will be heartily welcomed in my province and I believe by right thinking people in all parts of Canada. The extension of the scope of municipal grants, the plan to set up a Senate committee for the better use of land for agriculture and the proposed revision of the Merchant Seamen Compensation Act to provide a better scale of benefits to disabled seamen and the dependents of deceased seamen are three other measures of special interest to Newfoundland and to my own constituents. There will be opportunities for more extended remarks when these measures are brought before the house. At this time I wish merely to enumerate them and to commend the government for putting them on the agenda for this session.

Another item of special interest to all Canadians and particularly to the Atlantic provinces is the report of the royal commission on Canada's economic prospects commonly known as the Gordon report. I do not think we should criticize this report too hastily; after all, it is merely a compilation of facts and deductions. Some of the conclusions reached may be disappointing to us and possibly disagreeable but I feel we must accept the report as an honest appraisal of present economic trends and the results that are likely to ensue if these trends are permitted to continue throughout the next quarter century. We are not required to agree with the opinions expressed nor with the assumptions on which they are based; after all, they could very well be mistaken. At best they can hardly be expected to be more accurate than a long-term weather forecast. We should not therefore accept the predicted results as inevitable; rather, we must see to it that the necessary action is taken in time to prevent those results, which we consider undesirable, from taking place.

In compiling a report of this kind and particularly when formulating recommendations or policy based on the findings, care must be exercised to make certain that purely material and economic considerations are not permitted to override human considerations and the over-all national interest. For example, the report confirms the fact that in the Atlantic provinces per capita and per family annual incomes are some 30 plus per cent lower than the national average. This tremendous discrepancy is rendered still worse by the fact that the cost of living in the Atlantic provinces is considerably higher than the national average. In my own province of Newfoundland this gap is at its widest.

What is the answer to this situation? On a purely material and economic basis the solution could be to encourage a movement of the population from the Atlantic provinces to the central provinces and it should be borne in mind that this sort of migration on a voluntary basis has always existed. But would any sane person maintain that it would be in the national interest to have the Atlantic provinces completely denuded? Where then should the line be drawn? What does the national interest demand? Surely the national interest demands that measures be taken to close the gaps in annual income and the cost of living so that material living standards in the Atlantic provinces will compare more favourably with the rest of Canada. This does not necessarily mean handouts but it does mean, first and foremost, that ways must be found and the necessary assistance must be provided to enable the people of the Atlantic provinces to raise their own living standards through their own efforts by developing their own resources to the maximum.

It would appear that present credit restrictions tend to retard the industrial development of the Atlantic provinces more than that of other parts of Canada thus producing the greatest effect where it is least needed. No one can deny the necessity of credit restrictions and other measures to offset the present danger of inflation, but what seems to be required is a more flexible way of applying them so that developments may be restricted in those areas where its contribution to inflation is greatest, and permitted or even encouraged in other areas where its effect will be slight. In this way the effects of anti-inflationary measures will be distributed more evenly throughout the nation. It should be borne in mind that the differential in individual annual income and living costs between the Atlantic provinces and the rest of Canada is due to some extent to the fact that confederation changed their flow of trade from its normal and natural direction of north and south and compelled it to flow in the unnatural direction of east and west.

It can therefore be regarded as a price which the Atlantic provinces have been paying to make the concept of a Canadian nation a reality. The relative effects of this imposed disadvantage upon living standards and industrial and economic development have increased over the years and now represent a very real sacrifice on the part of the people of the Atlantic provinces. True it is a sacrifice which must be made in the national interest, but it is also one which benefits other parts of Canada and for that reason is entitled to recognition and compensation.

Whatever compensation resulted from the Maritime Freight Rates Act has been completely nullified by the recent freight increases, and simple justice demands that steps be taken to restore the maritime freight rates assistance to its original proportions.

We all know that our railways serve a purpose that is far more important than any economic consideration. Actually their east-west direction makes them economic monstrosities, but that east-west direction is essential to the national interest because it is our railways more than anything else that bind us together in a nation and make possible our political independence and economic autonomy as well as our economic growth and development.

The primary function of our railways is to integrate the different industrial sections of every province into a single provincial economy, and also to integrate the different provincial economies into a national economy. As far as Newfoundland is concerned, the Canadian National Railways are not performing either of these functions and will never be able to perform them as long as they maintain their present pattern.

We all want our railways systems to be operated as far as possible in accordance with sound business practices. I use this qualification because purely dollar considerations must not be permitted to take precedence over the over-all national interest and basic human needs. Since the railways are not basically sound enterprises within themselves as economic units, and since they have other functions even more important than the economic, I believe it would be better if they were regarded as public utilities. Certainly it would be better in Newfoundland.

The railways could be used as an effective instrument in equalizing the cost of living in

different parts of Canada. In Newfoundland the Canadian National Railways create inequalities in living costs and make existing ones even worse. On Friday last my colleague, the hon. member for Humber-St. George's (Mr. Batten), placed on *Hansard* at page 136 figures to illustrate how the recent freight increase of 11 per cent has resulted in an actual freight increase of 64 per cent to the consignee at St. John's, Newfoundland. I am not going to repeat what he so clearly and concisely stated but I want to give my unqualified support to everything he said. I wish also to add my plea to his that the government of Canada adjust the rates of payment under the policy of freight assistance on western grains and mill feeds shipped to eastern Canada in order to bring these rates once more in line with the 1956 rate increases.

Before I leave this subject of railways I must once again, as I have done on several previous occasions, raise my voice in this chamber in protest against the lack of passenger accommodation provided by Canadian National Railways on their Placentia bay service. I have brought this condition to the attention of the Canadian National Railways management repeatedly over the past six years and it has been consistently ignored.

Every time I travel on the M/V *Burin* I am scandalized at the conditions which the travelling public are forced to put up with in this part of my riding. Picture women and children being forced to sit up all night in stormy weather huddled together on a bench in a tiny dining room or sitting on their luggage in a narrow corridor because there is no place for them to lie down. This prime example of man's inhumanity to man is a disgrace, not only to Canadian National Railways but to Canada. It makes me ashamed that the half million dollars required for a new ship should be regarded as being of more importance than human beings. It makes my blood boil to see a crown company treating human beings, and Newfoundlanders at that, with less consideration than one would normally give to dumb animals. Not only has this situation been permitted to continue, but it has steadily worsened for six long years, and I plead with the government to bring pressure to bear on the Canadian National Railways to have it corrected immediately.

I would ask the government also to give sympathetic consideration to the plight of those railway employees who have received notice of the termination of their employment. Some of these employees are over 50 years of age and are practically unemployable elsewhere. Furthermore, many of them stand to lose their pension rights which they have accumulated over a long period of satisfactory service. Apart altogether from the terms of union, it is our Christian duty to see that their livelihood is not jeopardized because people are always more important than things. Therefore I urge the government to remove the suspense which has been hanging over the heads of these employees since 1949 by having their positions clearly defined so that they will know exactly where they stand.

Last Monday we were privileged to hear two excellent speeches—one by the Secretary of State for External Affairs (Mr. Pearson) who has done so much to raise Canada's prestige among the nations of the world, and the other by the Minister of National Health and Welfare (Mr. Martin) who has just returned from a tour of Asia and Australasia where he has rendered outstanding service in building up mutual understanding and good friendly relations between Canada and the free nations of the east.

In both these great speeches the underlying theme was the importance of the human individual; that the individual worth of every human being for himself alone as a person should be recognized irrespective of colour, race or class; that human rights and human dignity should be preserved and maintained and along with human needs be given priority over every other consideration. This is the basic foundation of our western civilization. Our allegiance to those values marks the fundamental difference between western democracy and other forms of government. It is also the cornerstone of true liberal philosophy, and it is within this framework that we must examine the recommendations contained in the Gordon report and formulate future policy. There must be this fundamental consistency between our domestic policy on the one hand and our foreign policy on the other. While encouraging and assisting other nations in their efforts to correct the adverse effects of so-called colonialism we must take care we do not permit another brand of colonialism to develop within our own borders. The idea behind the Colombo plan is a noble conception which deserves our fullest support.

This concept would be still further enhanced and its effects as a moral force would be multiplied many times over by the concurrent existence of a Colombo type plan for the underdeveloped areas of our own nation. Such a program is necessary for the maximum development of the fishing industry not only of Newfoundland but of all the Atlantic provinces, which industry must in my opinion be developed in an orderly manner as a single

unit and not as a number of separate small industries fighting among themselves and competing with each other.

No thinking person would maintain that it is in the best interests of Canada or of the world to permit this vast treasure house of self-perpetuating wealth to remain underdeveloped or undeveloped, particularly at a time when four-fifths of the people of the world are underfed and undernourished. Maximum development of the fishing industry is a responsibility which we owe to the rest of the world, and it can come about only by the co-ordinated efforts of private industry, provincial governments and the federal government working together as a team with a passion and a plan.

We can be justly proud, Mr. Speaker, that many of the nations are today looking to Canada for moral leadership. In meeting that challenge let us never forget that peace can never be created by organizations or alliances, however lofty or worthy their motives. If peace is to exist at all on this planet it must first be created in the human heart, and the national interest of Canada demands that all our efforts be directed toward this primary objective.

Mr. Charles Yuill (Jasper-Edson): First, Mr. Speaker, I should like to associate myself with the compliments which have been paid to the mover and seconder of the speech from the throne. I think they did a very creditable job in discharging this very important duty.

The settlement of the railway strike is, I think, something that should give us all a reason for feeling very happy. A terrific mental and economic strain has been lifted from the minds of the people of Canada, not only those who were directly connected with the strike but also those communities which were the innocent victims of its effects. I am sure that with this return to normality they will all be breathing more easily.

With regard to the speech from the throne itself I think that we as ordinary members look to it in anticipation of finding something there that will be beneficial, first of all, to the public of Canada as a whole. Then, I suppose, in a more selfish manner we look at it to see whether it presents some ray of hope for those in our constituencies whose welfare we have the responsibility of safeguarding. As one of the members from an agricultural area I regret I can see nothing in the speech from the throne which throws out any fresh ray of hope to the people whom I represent. As usual, of course, the farmer is caught in the cost-price squeeze; he must sell everything on an uncontrolled market and buy everything back on a controlled market. From what I see in the speech from the throne there is not the slightest indication that this government is even remotely interested in trying to do anything for the farmer. Because of the huge surplus of grain and the inability of this government to sell it, the farmers have had to seek alternative means of bolstering up their economy. They have had to diversify their efforts by trying to raise cattle or hogs or poultry; or they have been producing eggs as a means of supplementing their revenue and seeking some reasonable equation between the ever increasing cost of production and the revenue that accrues from their untiring efforts.

Let us consider, for example, the problem with regard to egg production and the instability of the prices that prevail by examining the poultry products market report of August 31, 1956, and, again, the report for November 16. We find that the major marketing centres such as Vancouver, Calgary, Regina, Winnipeg, Toronto and Montreal show a most marked variation in price between August 28 and November 16. On the earlier date the average price for "A" (large) eggs in those centres was 53 cents a dozen, and in a matter of about ten weeks—or on November 16—it was 36 cents a dozen, a difference of 17 cents a dozen.

Again, taking the report of August 28, we find the pricespread to the producer between "A" (large) and "A" (medium) eggs in the markets quoted varied from four cents in Calgary to 17 cents in Toronto. Similarly, the spread between "A" (medium) and grade "B" varied from two cents a dozen at Montreal to 20 cents at Calgary.

I think that such glaring differences in price between the various marketing centres is not very indicative of an orderly marketing system and I believe the government could very well do something to help stabilize these prices. I do suggest that the 38 cents "floor price" on grade "A" (large) eggs should be given to the producer, not to the wholesaler. I think it should be a guarantee to the producer that that will be his minimum sale price for grade "A" eggs. The wholesaler has a chance to get his own profit. He has the right to increase his price by 14 cents a dozen, which I think would give him a very good margin.

Again, taking the poultry business, in some areas of the country it is a very important industry and I would say particularly so in the case of sections of British Columbia. In the poultry business there has been perhaps the greatest drop in prices of any phase of the agricultural industry. To take my own community as a criterion, the price of turkeys was 20 cents a pound cheaper in 1956 than

in 1955. In 1955 grade A turkeys were bringing 53 cents a pound. In 1956 they were bringing 33 cents a pound. It is quite true that there was an increase in the production of turkeys and poultry in general but I think one depressing effect was the number of turkeys imported from the United States. I think that had a very depressing effect upon the normal markets of British Columbia particularly and in an indirect way it affected our own Alberta markets.

When the Minister of Agriculture (Mr. Gardiner), as of February 1, 1955, saw fit to remove the subsidy of $5 a ton on feed wheat or feed in general shipped to the people of British Columbia I think he posed an economic problem there that has not been solved up to this time. From the viewpoint of the Canadian economy I believe the minister could very well be classified as being penny wise and pound foolish.

We in Alberta suffered the loss of a large part of the British Columbia market basically, I presume, because of little or no opposition to United States turkeys coming into British Columbia and again perhaps of the freight differential we lost very heavily so far as our normally good market in Vancouver is concerned.

Let us take another phase of this diversified industry and look at the situation with respect to hogs. According to the Livestock and Meat Trade Reports we find that the average price of hogs at four major marketing centres, Toronto, Winnipeg, Moose Jaw and Calgary, for the first nine months of 1955 was $23.06 a hundredweight. For the first nine months of 1956 the average price was $22.75 a hundredweight. Taking the five year average for the years 1951 to 1955 inclusive, we find that the price was $27.70 a hundredweight. This indicates considerable shrinking in hog prices in the last two years.

I think it is quite obvious that the floor price of $18.25 existing in Alberta today is not compatible with the cost of production and I believe it should be raised. There is one way that I believe the government could help the producer of hogs quite materially and at the same time it would have an overall desirable effect. I suggest that the government should double the bonuses paid on the top two grades of hogs.

Turning to the cattle industry, never in the history of Canada has there been more production of beef than in 1956. In spite of that we are becoming a net importer of beef. In my opinion there are two reasons for that. First, there is the natural and rapid growth of the country. Coupled with that is the fact that on a per capita basis we are becoming greater eaters of beef. One would imagine that because we are producing more and the demand is greater the price of beef would strengthen as a consequence, but I do not think that holds true. If you look at the Livestock and Meat Trade Reports you will see that the average price of good steers at Toronto for the first ten months of 1956 was $19.32 a hundredweight and $18.25 at Winnipeg. From the Livestock Market Review we find that the average price at Toronto for the years 1951 to 1955 inclusive was $24.40 and $23.19 at Winnipeg. This indicates quite a substantial difference. The high price in 1956 was reached in August and then the price started to recede. Prices went down and down until the end of the year.

There are one or two suggestions I might make that I think would be beneficial and in the interests of everyone concerned, not only the producer but the consumer as well. I believe the time has come when beef should be sold according to its true value. I believe it would be in the interests of everyone concerned for beef to be rail graded in the same way as pork. There are so many cases where the producer brings an animal to the packing plant or stock yard and the buyer of the "critter", particularly if it is an off type, must play it safe. He may be buying the animal for a packing plant or somebody else. But as a consequence he always tips the grade balance in favour of himself or the person for whom he is buying with the result that the producer is unduly penalized.

I do not think you can blame anybody particularly. It may be regarded perhaps as the normal course of good business but I am sure that the packing plant together with everybody else is interested in seeing that the producer gets a fair price for his commodity. I strongly urge the government to give serious consideration to bring about what seems to me to be a most equitable method of selling the farmer's commodity so as to arrive at a realistic basis where the farmer will receive value for the produce he delivers.

There are many things I should like to speak about. I think that my colleague, the hon. member for Red Deer (Mr. Shaw), has made it very clear where we stand on the question of pensions, and there should be no doubt in anybody's mind about our position. The other day my colleague, the hon. member for Edmonton East (Mr. Holowach), was discussing certain problems of the municipalities and asked what the government was going to do. There was an interjection from across the floor by the hon. member for Kootenay East (Mr. Byrne) who asked what Alberta was doing. I know, and everyone

else knows that had my colleague from Edmonton yesterday had time he could have answered that quite realistically. But because of the time element he was not in a position to answer. As one who has been associated with school administration for 25 years and as mayor of Barrhead for almost 12 years, I think that perhaps I am qualified to answer on behalf of my colleague from Edmonton East. I have here, I would imagine, around 180 statements which deal specifically with the amounts of grants, direct and indirect broken down to show how these grants affected the economy of these municipal districts by village, town, city, rural municipality or county.

If the hon. gentleman asked his question in sincerity I believe I can give him an answer which would give him at least some reasonable peace of mind. I have heard him interject so often that I find it very hard to accept that his is an honest question. For his benefit, and the benefit of the others who seem to have lost their sense of balance to quite a degree, I would like to give you a few figures. First of all, he said what are you doing in Alberta to help the municipalities? Let us put it this way. In the last seven years the government of the province of Alberta has provided direct and indirect assistance by way of grants to the tune of $311,710,812. Well, I suppose that with that kind of reasoning which goes behind these stupid questions that would not be accepted. I would like to go a little further and break it down in terms which I hope are productive of happiness or peace of mind.

I have here, as I said before, records based on 1955 performance. In the case of the city of Calgary and the city of Edmonton, I do not have them for 1955 but I have them for the last five years, 1951 to 1955 inclusive. Take the city of Edmonton, the largest city we have; the city of Edmonton received through grants in the last five years $40,942,541. On top of that they borrowed from the provincial treasury, at interest rates ranging from 2 and the maximum of 3½ per cent, the amount of $57,292,900. In the case of the city of Edmonton, through these two mediums they received $98,235,441. I suppose, in the minds of some people here, that is no assistance whatever. Take the city of Calgary. They received in direct and indirect assistance $27,681,017. They, again, were able to dip into the provincial coffers to the tune of $55,791,680 in low interest money; or a combined amount of $83,472,697.

I do not think that I should have to go any further, but just in case my hon. friend is over curious, I would like to go a little further. Take, for instance, the city of Lethbridge, a comparatively small city. They received in direct grants $247,322.89, in indirect grants they received $1,013,325.67, or a net total grant of $1,260,648.56, or 40·36 per cent of their total revenue.

My hon. friend may be interested in rural municipal districts. I am going to start with the one which surrounds my own town of Barrhead, known as Barrhead municipal district No. 106. In this case they received $158,575.02 in direct grants, and in indirect grants they received $364,246.40, or a total grant of $522,821.42, or half a million dollars of assistance in one municipality. The government of Alberta produced for them 68·60 per cent of every revenue dollar they needed to operate. Then, neighbours of mine, people who are supposed to know better get up and tell you our government does nothing for our people out there. Take again a neighbouring municipality like Lac Ste. Anne. They received a direct grant amounting to $209,919.88 and an indirect grant amounting to $373,192.53 or again over half a million dollars, the total being $583,112.41 or in this case 63·44 per cent of their entire needs. So on it goes. You can go right down the line. Take Leduc, the municipal district of Leduc. They received in direct grants $308,405.03, and in indirect grants $429,310.03, or a total of almost three-quarters of a million dollars, $737,715.06.

To take the municipal district of Sturgeon river, municipal district No. 90, they received a total of $645,399.80, or the equivalent of 52·96 per cent of their total revenue.

I come next to counties. First of all, let us take the county of Grande Prairie, No. 1 which is away up in the north part of our province. They received the sum of $509,793.20 in direct grants and $74,202.58 in indirect grants, or a total of $583,995.78. The percentage is 54.75.

I come next to the villages. I have here a village with a tax levy of $9,328. They received in joint direct and indirect grants $16,774.84, or 64.26 per cent. The village of Lougheed, a very small village, received a total of $10,129.87 in direct and indirect grants, or 44.74 per cent. Take the village of Girouxville. Many of the Edmonton members will know what I am talking about. They received combined grants of $21,328, or 57.26 per cent of their revenue from the province as direct and indirect grants without strings attached.

Take the village of Caroline, which is a very small village. They received a total of $33,842.73. Their total village levy was $9,498.44. They received 78.08 per cent of their necessary revenue from direct and indirect taxes from the province.

I now come to the towns and I would like to start at home. I believe charity always begins at home. Take the town of Barrhead. We had a tax levy of $74,145. We received in direct and indirect grants $114,942.40, or 60.79 per cent of our total requirements. Take the town of Edson, another town in my constituency. These are not foreign towns to the hon. member for Edmonton-Strathcona (Mr. Hanna) or the Minister of Mines and Technical Surveys (Mr. Prudham). They know these places as well as I do. The town of Edson received $22,346.66 in direct grants and $211,659.74 in indirect grants, or a total of $234,006.40, or 69.45 per cent of their total requirements. And so it goes. The town of St. Paul received a grand total of $96,462.83, or 40.80 per cent of their requirements. Another town pretty well down in the southern part of the province, the town of Rocky Mountain House, received in direct and indirect grants the sum of $96,315.66, or 57.97 per cent. The town of McMurray, away up to the north, received $44,524.09, or 55.36 per cent. The town of Lac la Biche, which is well known to some hon. members from Alberta, received $124,011.52 in grants, or the equivalent of 71.87 per cent. I have more here and I would be happy to make them available to my hon. friend if he so desires, because I really feel that if he has the desire to know the truth—well, they say the truth shall make you free—I would like to contribute to his peace of mind.

I think one of the tragedies of our society is that people who are usually decent in so many ways seem to allow their minds to be so poisoned by political bias that they lose their sense of common decency. They lose their vision and their sense of justice and fair play to their neighbours. I would suggest that, in future when they have any funny questions to ask, at least they be sensible and ask them honestly. "Seek and ye shall find". If you want to know something you will find the answer in Alberta.

So far as the hon. member for Swift Current-Maple Creek is concerned, I think he is a living example of a frustrated Liberal. For years he has accepted blindly the fact that he was serving a benevolent government, but he has suddenly awakened to the realization that he is paying lip service, at least, to a government that has filched away from him piece by piece his right to live as a successful producer in this wonderful country of ours. I think that when a man has his eyes opened perhaps it is understandable that he becomes frustrated. Perhaps in the final analysis he should be more critical and sensitive because there is nothing that adds as much to confusion as a frustrated Liberal living in a socialist community. He should be more pitied than censured.

(*Translation*):

Mr. Adrien Meunier (Papineau): Mr. Speaker, I wish to join with previous speakers in this debate in offering my congratulations to the mover and the seconder of the address in reply to the speech from the throne (Mr. Hanna and Mr. Robichaud). The high level of both their speeches and the ideas they have expressed give a real measure of their talent.

The debate on the address affords the hon. members of this house an opportunity to point out to the government the needs of their constituencies and the situation of the people they represent here. This is an invaluable opportunity for Canadians to draw up an inventory of their resources and to contribute to the strength, the stability and the security of Canada.

We live in a period of prosperity when each working man has a well paid job and is able to provide a decent living for his family. However such prosperity is not the result of chance but an effect of the wise policies of our leaders. It is through their foresight that Canada has enjoyed such an industrial and commercial expansion and has been able to provide a high standard of living.

If anything went wrong, if workers had trouble finding a job, the blame would immediately be placed on the government, and it would be held responsible for any such economic slump.

I remember quite well that, at the session of 1955, I listened in this house to a debate on seasonal unemployment then prevailing. We then heard gloomy, pessimistic forecasts of a drab future for our country. However, through the unremitting efforts of the Prime Minister (Mr. St. Laurent) and of the members of his cabinet, thanks to their foresight, business recovered at such a terrific pace that, today, all Canadians are enjoying an enviable degree of comfort and security.

When all goes well, we tend to forget the hand that supplies us with comfort and ease, and I feel it would be appropriate today to congratulate the government for what it has done in every field to give Canadians what they are now enjoying.

I want to thank particularly the Right Honourable Prime Minister, the Minister of Labour (Mr. Gregg) and all members of the cabinet for their prompt settlement of the railway strike which was gripping Canada only a few days ago. In the riding of Montreal-Papineau, which I have the honour to represent here, there are a great many employees of this railway company, and all of them thank Providence for guiding our leaders in the wise steps they took to put an end to this strike which would have affected their home, their welfare and their security.

The speech from the throne states a most interesting legislative program for this session, but I will limit myself to commenting on only a few of its proposals.

The government announces grants to municipalities covering federal properties on their territories. Thus, Montreal, the metropolis of Canada, will receive about one million.

The government deserves congratulations for realizing that services supplied by municipalities such as the building and maintenance of sidewalks, sewers, as well as fire protection and waterworks, are now very expensive, and that the provision of such services together with the labour required, represents heavy expenditures. The solution to this problem is timely and the citizens of Montreal, for their part, are properly appreciative of this government measure which will lighten by that much the taxpayer's burden or thus helping Montreal to make improvements.

The speech from the throne also mentioned increased subsidies to provincial governments to help technical and professional training and, as we all know, this legislation which was introduced in 1937 has been improved from year to year and all the citizens who attended those schools have contributed substantially their efforts to the industrial life of Canada.

Now that industrial development requires ever increasing numbers of qualified workers, this government help will provide industry with needed personnel and as a result of this specialized and experienced manpower this country will enjoy larger revenues.

The province of Quebec for its part has always accepted these grants without endangering its autonomy and, according to figures given by the hon. member for York-Scarborough (Mr. Enfield), during the year 1955-1956 my province received $2,952,000 in educational grants without demur.

I am convinced, Mr. Speaker, that the central government is the best possible instrument for developing and encouraging this technical and vocational training since it is in a position to know generally what is going on in this country in this regard. It can see what area least benefits from this training, everybody knows that if we want to have trained manpower in equal numbers everywhere, we must help with this training, improve it and perfect it.

In the province of Quebec officials have accepted that point of view, for they have always drawn these grants without protest but without however making it too well known to the public. The citizens of Quebec are satisfied with the situation and the heads of families of my constituency whose sons I have directed towards these schools are glad that their sons can enjoy a better education than they have received themselves, and placed in a position to make a good living. However, the generosity of the government is not restricted to technical and vocational training; it also extends to university training. This offer of assistance to universities has provoked much comment in the province of Quebec where it is argued that education is a provincial responsibility and not a federal one. I wonder however where this argument would lead us to if it were discussed to a logical end. Technical and vocational training which I just mentioned is also part of education, and yet the province of Quebec accepts federal grants in that field. If those grants are good and acceptable for certain schools, why would they not be so in the case of universties? Is it because the grants to universities would be more widely publicized than those to technical and vocational training?

In offering grants to universities, is the federal government trying to dictate what should be taught, or does it give these grants unconditionally? It offers them unconditionally to help universities with their financial problems so that their development may keep pace with our industrial development.

According to the dictionary and the authors, to educate is to train, to instruct a child, a person, or it is the process or manner of training and instructing a person. In giving grants to our universities the government of Canada does not impose on them any training program; nor does it suggest such a thing. It lets the universities free to do as they see fit, in order that these grants be put

to the best possible use. Moreover I contend that these grants to our universities meet the views of the Massey Commission, which recommended the establishment of such grants to develop a culture in our young country. The culture of a people cannot be assessed in dollars and cents, but it is felt in the way of life of that people. If the federal government were to do nothing in that field, future generations would denounce it for its slackness and its inertia in not developing among our people a truly Canadian culture.

As a matter of fact, Mr. Speaker, a people without culture is to be pitied, and is difficult to get along with, because nothing beautiful or great can interest such a people. The life of a nation cannot be restricted to sports alone; there has to be an elite leading an intellectual life and imparting science and thought to the rest of the population. This elite should lead the people, and the eyes of the nations are upon it.

Our universities are schools for thought and higher learning, and if students are still not educated when they graduate, they will produce nothing for the community.

A university does not take its students from the cradle on, but at a more mature age in order to mould their thoughts, enrich their minds and give them a wealth of knowledge and science which they will radiate wherever they go. And these well-balanced, well-formed minds, full of intellectual scientific, literary, artistic and other concepts will mould a people's culture.

Mr. Speaker, I thank the government for offering these grants to the universities. This money will help in their development. My special thanks go to the Right Honourable Prime Minister (Mr. St. Laurent) who has arranged for the universities of the province of Quebec which have consented to be parties to these agreements to retain the right to these grants, which will be held for them until such time as they may be in a position to use them.

Before closing my remarks I would like to deal with another matter which some of my colleagues have raised, that is with the increase in family allowances and old age pensions. The Liberal government has instituted a social security program which is a credit to Canada. Those who have benefited from this program have been better off for it. Today our young people are better educated, more active, better clothed, our schools have more pupils than ever thanks to the help extended by the government to the parents of these children. These young people, when they leave school, are better able to face life. They are a source of great wealth to the nation.

As regards old people, in connection with the increase of the cost of living, the amount that they draw at this time insures a certain amount of security but does not preclude all worries.

Consequently, I wish the government would increase the rates of these social security benefits as soon as the finances of the country will allow it and without further increasing taxes.

In closing, Mr. Speaker, may I be permitted to reiterate to the Prime Minister of this country and leader of the Liberal party the sincere appreciation of the voters of the Papineau constituency, whether they be French, English, Italian, Ukrainian or of any other racial origin. Each and everyone admires the way in which he administers the affairs of the country both from the national and international point of view, as it brings them security and comfort. They have not lost confidence in him and will continue to consider him the great artisan of national unity in Canada.

(*Text*):

Mr. John Pallett (Peel): Mr. Speaker, I should like to join in the pleasant custom and congratulate the hon. member for Edmonton-Strathcona (Mr. Hanna) and the hon. member for Gloucester (Mr. Robichaud) upon their remarks in moving and seconding the address in reply to the speech from the throne. It was not my pleasure to hear them speak owing to my being at the United Nations, but I read their remarks with interest. When doing so the thought occurred to me that they both might qualify as very good cooks because they seriously endeavoured to make a palatable dish out of a very sorry mess of pottage.

It is sometimes customary when speaking in this particular debate for hon. members to enlarge to the house upon information with respect to their own ridings. However, as the population of the county of Peel has doubled approximately in the last five years and as its ideal location and climate must be well known throughout this land of ours, I am sure the people of my county will understand when I do not deal specifically with their individual problems. The county of Peel is both agricultural and industrial and therefore they feel that the situation that confronts Peel confronts the whole country and for that reason it is not necessary to specifically enumerate the matters affecting that county at this time.

In referring to the speech from the throne I find it rather difficult to envisage that it has been given on behalf of a government which for years has been saying that this is a country with a boom economy, built on a sound foundation and that Canada and Cana-

dians together make up the greatest combination on the face of the earth; that in this land of plenty we should each year set our sights a little higher than the year before. To me the speech from the throne indicates a new influence in the government ranks, an influence of people who have never been too successful in their own business affairs, an influence of people who were never in business, an influence of people who have very little if any confidence in the ability of Canadians to develop this country without interference from the government.

It seems to me that an attempt has been made to resolve some of the differences within government ranks by the age-old theory that when things are not going too well within a country, or within a party in this particular instance, attention should be directed elsewhere. I suggest to you that within the ranks of the government there is a decidely sharp conflict, a conflict between those who are pessimistic failures and those who are optimistic realists. In order to resolve these differences they have highlighted the external affairs aspect.

I suggest that at this time the government should make the frank admission that for many years in the future the position in external affairs is going to be one of point and counterpoint, that the world situation will be unsettled for some time to come. Why do not those who sit to your right admit that when the British commonwealth influence was dominant in world affairs, that when the British commonwealth assumed its position of responsibility, with all the consequences inherent in that responsibility, the world situation was relatively stable and the world was relatively at peace. Why does not the government, those who sit temporarily to your right, admit that there is now a nation of strength which will not properly assume that responsibility. Until it can be made to do so times will be unsettled, and for some time.

Why does not the government take as its No. 1 objective the restoration of the position of the commonwealth in the world, and having done that then turn its attention to the development and strengthening of this country within its own boundaries. But then you have the contention within the party ranks of the government between the pessimists and the realists. May I quote one paragraph from the speech from the throne as follows:

> Indeed our economic expansion has been so rapid that it has put a serious strain upon the supply of various types of labour and materials needed for the many projects which are being put in hand. The corresponding competition to borrow savings to finance all these projects has brought about an increase in interest rates. Increases in the volume of money and credit have had to be carefully limited in order to check inflationary tendencies and the financial policies of my government have also been directed to counteract these same tendencies.

I underline the method that the government appears to be using, "The financial policies of my government have also been directed to counteract these same tendencies." No word about the increase of labour and materials which is the positive approach and the approach that increases the spending and the standard of living of Canadians; no, only the juggling of figures which represent finance at the higher level. There is control by the Minister of Finance (Mr. Harris) and the governor of the Bank of Canada, who earns a salary of $50,000 a year. What can they know of the concern of the common man who wants to buy something on credit or borrow enough to buy a house, or of the businessman who has geared his business to a certain level over the years and now finds that the normal means of financing are closed to him. What do they know about the bonus mortgages that have been brought about by their actions, actions which are short-sighted, pessimistic and unrealistic, actions which tend to highlight in the people's eyes a situation brought about by too much government interference in business.

The Minister of Finance blandly says that someone must get hurt; he blandly says that municipalities must not spend money. I remind him that municipal representatives are also elected, but for a shorter term, and I suggest that therefore they are nearer to the sense of the people than he is himself. I suggest also to him that this theory of his of not spending money is not shared or practised by his colleagues.

Any person will tell you that when a plant is growing and steps are taken to stunt that growth artificially the plant will be hurt as a result. The minister is trying to apply the age-old custom used in China to make women's feet more attractive by binding them. He wants to make the economy of this country more attractive to us all, and he is binding it. The result in China was, of course, that the people were crippled. I suggest the result here will be the same. I ask the members of this house and the people of Canada: Do we wish to rely on the judgment of Harris and Coyne or should we rely on the judgment of the farmers, the businessmen large and small, the consumers, the local bank managers and all those others who are actually in touch with the day-to-day commerce of the country?

I would point out at the outset, Mr. Speaker, that the Minister of Trade and Commerce (Mr. Howe) has not yet admitted that these steps proposed by the Minister of Finance

(Mr. Harris) are necessary, and there seems to be a significant omission in this regard from many government statements. It was significant, also, that the Gordon commission, made up of people well recommended by this government, completely omitted any reference to an inflationary economy.

I leave that point, Mr. Speaker, and would like to refer to the reference in the speech from the throne to a capital fund for universities. This, so far as it goes, is I suppose a sop of some sort but I think the sights should be set a little higher. Many years ago when it was proposed that students who went to secondary schools should not have to pay their way, the proposal was laughed at. I think, as this is a national question, that the government should show leadership along the lines that no student should have to pay a fee in order to go to a university. The standard of admission should not be financial ability to pay but rather the student's academic ability, and this end can be accomplished in a number of ways. One might be the setting up of a sort of loan fund recoverable through the extra income tax that university graduates are shown to pay in a national economy. Leadership must be displayed in this regard, but perhaps it is asking a little too much to suggest that leadership be shown by this government in any field.

While we are discussing universities, I think encouragement should be given to efforts to pay professors and teachers a salary commensurate with their abilities and responsibilities. We cannot do that under a tight money policy, of course, but there should be a concerted effort either by private individuals or by government to ensure that the high calibre of those who serve these institutions as teachers or professors is maintained.

It has been said that in this country there are enough houses for everybody and that the housing industry is going to slacken off a little this year. I wonder if anyone has ever compiled a list showing the number of requests made by people who wish to have houses but refused because they were unable to meet the requirements of the National Housing Act? This act was conceived, I suppose, to help provide houses for people from the working class upward. It has looked after the "upward" category fairly well but so far it has neglected the working class. The standards of qualification under that act are higher than the average income for Canada and it seems to me that some steps might well be taken to make houses available under the conditions of that act to those who have previously been disqualified under its provisions, and I do earnestly suggest to the Minister of Public Works (Mr. Winters) that during the few months left in his tenure of office these difficulties should be removed. If he does not wish to amend the act in that regard I suggest that there are other amendments that could be made in order to provide housing on sound financing with minimum down payments under systems that have been in use for years in other countries.

Much has been said, Mr. Speaker, about the fact that the government may now pay municipal taxes. So they are going to give the municipalities a few dollars on the buildings while public fiscal policy takes many hundreds of dollars away from them in increased interest charges. The government never seems quite to round off the picture. They have not yet gone to the length of permitting a complete rebate of sales tax on buildings and supplies used for education purposes; they fail to recognize—or perhaps they have not the ability to do so—that it is of little use assisting municipalities in one way while at the same time taking resources back from them in another. Perhaps they have adopted the Social Credit policy of keeping the money in circulation as long as it goes round in government hands continually.

Mr. Speaker, before I close my remarks I do earnestly hope that someone from the government will tell us which of the two factions over there is going to dictate policy for the next few months in which they will enjoy office. I think the public are concerned and an explanation is certainly indicated. The speech from the throne has clearly shown that there is a division and I earnestly hope, Mr. Speaker, that someone will clarify this position for us.

(*Translation*):

Mr. David Gourd (Chapleau): Mr. Speaker, I may seem a little tardy, but I believe it is my duty to say a few words in connection with the speech from the throne.

I would like first to congratulate the honourable member for Edmonton-Strathcona (Mr. Hanna) for the brilliant and tactful manner in which he accomplished the delicate task of moving the address in reply. I am also very happy indeed to voice my appreciation to the honourable member for Gloucester (Mr. Robichaud) who has so ably seconded the mover.

The speech from the throne reveals that, on the whole, Canada is enjoying a very high level of prosperity. As a matter of fact, it would be enough to travel abroad, to visit other countries, to find out how privileged we are to live in Canada and where the people enjoy so much affluence and freedom. Mr. Speaker, I would like to point out to the members of the opposition that such conditions are due to the good administration of the Liberal government. I would like to tell them how privileged we are in

Canada to have as leaders men of such ability, of such skill to administer and develop this country. These men have given proof of their skill at the United Nations, at NATO, in the meetings at Geneva, New Delhi, etc., as well as during the negotiation of trade treaties, and that is why the voice of Canada is one of the most respected in the world.

While reading a few paragraphs from the report of the Gordon commission, I noted the forecast that the population of Canada will probably double within 25 years. Of course that depends on the development of this country, and if there is one area which should be developed and settled it is my constituency of Chapleau with all its great farm lands and natural resources.

First of all, the federal and provincial governments will have to agree on building roads and railways there; if, for instance, a road was built branching off the present Canadian National line, from a point between Senneterre and La Reine, and as far as James bay, that is a stretch of about 225 miles, it would be possible to open up the northwestern part of Quebec, and establish there several parishes, because the soil is very fertile, and this would only facilitate the development of mines, hydro power, and forest resources. To further this northern expansion, a new railway trunk would have to be built which would branch off the new line now being built towards Chibougamau close to Cedar Rapid or Beattyville, as far as Matagami lake, a run of about 50 miles. This would give companies a chance to erect a paper mill which would help develop this new country covered with beautiful forests, and filled with minerals of all kinds. That is the type of development this country needs to increase its population and supply it with employment. This is so true that, although the construction of the railway from Barraute to Chibougamau has not yet been completed the population has already substantially increased. New parishes are already being established, those for instance at Bachelor lake, Opemiska, and there is even talk of others being founded north of Chibougamau.

Moreover, the federal and provincial governments should get together to help the federated co-operative build a slaughter house and a cold-storage, and also to help the companies that would like to build refineries and paper mills. My observations are based on statistics and on past experience because, when I came to Abitibi, there was only a handful of families, and there are now there at least 250,000 people.

Mr. Speaker, I would not want to miss this opportunity to repeat, in connection with our national security, that a road should be opened between Norembega, in the province of Ontario, and the town of La Reine in the province of Quebec, a distance of only 47 miles. It is inconceivable that the Ontario government should overlook the necessity of building that road which, besides being beneficial to the province, would open the way to the settlement of many new parishes and provide a link between the two provinces, and promote the tourist trade in northwestern Quebec and northern Ontario. I could mention another road section whose development, by the Department of National Defence, would unquestionably be both necessary and urgent. I refer to the construction of a road connecting Casey, where the National Defence department has built a very important airport, to the radar station of Parent, a distance of about 25 miles. The cost of construction would certainly not exceed $12,000 to $15,000 per mile and the population of Parent and the surrounding district would thus be provided with an outlet.

I wish also to take this opportunity to ask our devoted Minister of National Health and Welfare (Mr. Martin) to urge the government to grant the old age pension without the means test from the age of 65. This would spare us heavy administrative expenses and would be fairer to the people concerned. I would also like to ask him to increase family allowances. I can tell you that they are most useful in helping the families of my constituency in sending their children to school and in facing the rising cost of living. It would only be fair and reasonable to increase the rate of allowances. It would also be fair and proper to increase disabled persons' pension.

Mr. Speaker, you will no doubt pardon my obstinacy in again referring to the necessity for our country to be represented in the Vatican state along with almost every country in the world. It is with pleasure that I find myself in agreement with certain hon. members who understand that Canada is important enough to all points of view to have its own ambassador and not have to be represented by other countries, as it is the case now. To my mind it would be easy to arrive at an agreement in this matter and it would be in the interest of this country as a whole.

I would not want to conclude my remarks, Mr. Speaker, without mentioning, as I did in my previous speeches, the need for a distinctive Canadian flag. I support the suggestion made by the hon. member from Lake St. John (Mr. Gauthier) that the leaders of all parties in the house come to an agreement on the choice of that flag. I am sure that the Prime Minister (Mr. St. Laurent), in discussing this matter with party leaders, will

find with them a practical and just solution, which will be a credit to our great country, Canada.

(*Text*):

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. R. R. Knight (Saskatoon): Mr. Speaker, may I first endorse the words of congratulations that my leader conveyed to the mover (Mr. Hanna) and seconder (Mr. Robichaud) of the motion in reply.

In looking over the domestic scene I think one must agree that the greatest problem with which we are faced is this problem of inflation, and I would couple with it the related problem of the economic farm crisis in Canada. That has a good deal of importance to the people in the prairie west from which I come. It is sometimes called the farm cost-price squeeze.

I do not propose here to discuss the causes of inflation; that would serve no particular purpose. However, I do wish to plead the case of some of those who have been and who are affected by it. I shall also say a word or two about the only prescription for that particular disease with which the government has come forward, and it is indeed more than a prescription because the medicine itself has been forced upon us. I mean, of course, the manipulation of the interest rates upwards. Admittedly there has been a great expansion and great productivity. No one can shut his eyes to that. However, there are those who would sum up those two terms in the single word prosperity; with that I would take issue because surely there must be in the meaning of that word "prosperity" some element of general human happiness and contentment, and there must be some trickling down through the economic strata, all the strata of society, some benefit from our natural production, some equity if you like, in the sharing of the wealth which people produce. A real prosperity, as I say, would entail the sharing of some of this so-called prosperity by everyone in the country. But if this is prosperity it is an uneven prosperity. This government has no machinery, as far as I can see here, for a solution of this problem. It appears as hopeless in the face of inflation as its twin the last Conservative government appeared in the face of deflation, inflation and deflation being two sides of the same coin.

When I said that the government was helpless in bringing forward a solution, perhaps I gave the government too much credit. Wealth is being syphoned off, of course, by vested interests, and indeed the government may justly be said to be aiding and abetting that particular process. And by what devices? There are many that I would mention but those which come to my mind readily are things like accelerated depreciation, depletion allowances, or by allowing the 20 per cent deduction from the income taxes in respect of the amounts of their profit from corporation dividends. That I have always thought to be particularly unjust. I know the motive behind it but I think it is time it was removed. Then there is the other one which usually irritates me; that is the ceiling on the contribution to the old age pension fund. Those who have a high income and reach the ceiling pay no more towards the old age pension part of the income tax than those who are on very modest income.

I do not think that prosperity is the word for this whirlwind of borrowing and spending in which we are all caught up, and which does leave a good deal of wreckage in its path. I have thought of the effects of inflation upon the farmer. The farmer is the forgotten man, I think, in Canada; at least that is the way we feel about it in western Canada. Not only has there been a steady decline over the years in the price of his produce, but there has been a corresponding, and perhaps even faster, rise in the cost of production and the cost of the machinery which he uses. The agricultural industry is declining. There is no doubt about it and I think it is a misfortune. I do not know whether we are prepared to go into the tinsel and glittering atomic age with almost complete urban living. It is a good thing to have good sound people on good sound and prosperous family farms. I am a city member, of course, but I am well aware of the extent to which the prosperity of the city and town is bound up with the prosperity of the farmers who surround that particular city or town.

It occurs to me to say that Mr. Walker, who is the secretary of the retail merchants association, said in the year end statement not too long ago that 250 small private businesses had disappeared through bankruptcy in Saskatchewan in the year 1956. Those were

private enterprise businesses, and my laissez faire friends across the way say it is just too bad but there is nothing that can be done about it. The prosperity of those people was predicated directly on the prosperity of the farmer. It also occurs to me to say what a howl of glee would have gone up on the part of my free enterprise friends if these had been publicly owned, perhaps Saskatchewan government owned projects, and in their opinion, would have been all the proof you need that you cannot have successful public enterprise. These were small private enterprises and as far as we in the C.C.F. are concerned we would have liked to have seen those little private enterprises continue to live and continue to be successful.

The result of inflation felt most in the average Canadian home is, of course, the cost of living. Someone told me the other day—I have no documentary proof of it—that one-third of the money value of the gross national product was due to the increase in prices. The rise in cost is followed, justly enough, by a demand for increased wages. We have, therefore, this spiral; up and up it goes and, if I may paraphrase a nursery rhyme, where it ends nobody knows. Those who suffer most are those who are on fixed incomes. When one thinks of the purchasing power of the dollar of an old age pension nowadays as compared to the same power at the time when the old age pension was initiated, one realizes that we have not come very far in the direction of giving security to our old people, because the purchasing power of the dollar has been destroyed. The value of people's life savings has been cut in half. Each one of us knows that, in regard to the life insurance we undertook in our early years, if we have to cash it in—and I say it is a sad commentary upon this so-called prosperity that many less fortunate people are cashing them in in order to provide themselves with the daily necessities of life—we only receive about half what we had some reason to expect. The same thing is true, of course, of government bonds. That forsooth is prosperity. If that is prosperity, may I repeat, it is a very uneven one.

In family allowances, of course, we hear the same thing. I am in favour of family allowances; I am a believer in old age pensions. We in this group have perhaps contributed something to the acquiring of these things. I shall not go into that. Then, there is the matter of hospital costs. Medical costs are going up and up so that—I was going to say for the average man but we will not put it that way—for the people below average in income the thing is getting to be almost impossible. It is true that in our own province and in other provinces there are hospital schemes that do relieve the situation.

I notice that even Liberal members are asking for an increase in the old age pension. I take hope. I think that may be a favourable omen because, if my hon. friends across the way will excuse me, I do not think they would be embarrassing their own government to such an extent by talking on old age pensions if they had not some pretty good idea that a rise in such pensions was coming. I do not know what amount will be forthcoming. However, I would urge upon the government that if my case is a good one, it be answered, and if this thing called prosperity is to be evened up for all strata of society, the government will be compelled in the very name of justice itself to bring forth an increased security program for old age pensioners, for the recipients of family allowances, for blind pensioners, for pensioners of all kinds, so that the augmented pension will have some resemblance in purchasing power to the pension when it was first given. Personally, I would like to see a real increase and if we can get at least those amounts restored to the original purchasing power it would at least be a step in the right direction.

I would urge upon the government with regard to what I have said about medical and hospital services that they proceed to initiate at least something of the scheme which they have been promising us ever since 1919. Well, I have perhaps said enough on that subject in the time at my disposal.

I would like to say something on the effects of the remedy for inflation proposed. Before I do that may I quote from a clipping that I hold in my hand, which contains a statement on the increased cost of living. Perhaps I might document it. This information was supplied by the dominion bureau of statistics. There is a comment on it in an editorial as follows:

> More significantly, the index—

Of course, that is the index of living costs.

> —rose 3.4 points from March 1 to October 1, recording increases in five of the intervening months. This sudden spurt upwards in the index is but another evidence of the inflationary pressures which now are bedevilling the Canadian economy more than at any time since the early Korean war period of 1950-51.

I was going on to say that I should like to mention some of the effects of the government remedy. There is some doubt in a great many minds as to whether the remedy is actually effective or, if it is effective at all, whether it is sufficiently extended. I am no economist. I notice that the Minister of Trade and Commerce (Mr. Howe) took the

position this afternoon that a man should not talk about something unless he knows a good deal about the subject about which he is talking.

Mr. Howe (Port Arthur): That is when it helps.

Mr. Knight: It helps, yes. I wish I had time to tell my hon. friend a little story about that. One slippery night I was walking from the House of Commons down the sidewalk in Ottawa and I was going past a beer parlour about eleven o'clock.

Some hon. Members: Oh, oh.

Mr. Knight: "Past", I said. It was about eleven o'clock at night and the boys were coming out in various stages of intoxication. Just at that particular point, in the light of an open doorway, my foot slipped on the glare ice and I fell and bumped my head. The boys came out and picked me up. As you do on such occasions when you slip on an orange peel or something, you say something particularly foolish and I said, "A man does not have to be drunk tonight to fall on the ice". "No", this fellow said, "but it helps". My hon. friend the minister corrected our young colleague, the Conservative member for Brandon-Souris (Mr. Dinsdale), for being so brash as to dare to bring to the attention of the government something in which his people are interested. Perhaps, in spite of my hon. friend's superior knowledge, as an expert on most issues, the hon. member for Brandon-Souris had the right conception of what the function of a member of parliament should be.

Well, to get back to my speech—there is no time for stories—I would like to mention how the effect of this government's cure, namely, the rise in interest rates, affects the ordinary people that I know. The first thing I have noticed is that it is driving more and more people into the clutches of the money lenders, since people are attempting to square up their debts at an exorbitant rate of interest. I have noticed an increase in instalment buying. The Minister of Finance (Mr. Harris) probably knows the figure, but the last figure of consumer credit I had was $2,400 million, and that in a period of prosperity. May I ask, what kind of prosperity is that?

I was going to say a word or two to the Minister of Trade and Commerce about the statement of an expert in his particular field. I refer to a statement, I think it is the yearly annual statement of the president of the Royal Bank of Canada, Mr. Muir. He said this, as reported by the Montreal *Gazette* on January 11:

> It would seem, therefore, to be at least open to doubt whether the present facilities and techniques available to our monetary authorities are sufficiently wide in scope to deal with present-day problems of credit control. The classical weapon—upward movement of interest rates, largely through commercial banks—may by itself prove an impotent policy. It may be taking too positive a view of a distant scene, but it would at least appear that, in order to be fair and in order to achieve the best results, our monetary and credit control may have to embrace a wider area of our financial world than it now does.

There, I submit, is the evidence of the expert.

There are one or two other classes of people affected by this high rate of interest. The increasing of the interest rate does help to redistribute money. Well, it does transfer money from the pocket of the borrower, who has little money to spare, to the pockets of the lender, who has more. It adds to the difficulties of a man trying to finance the building of a house. Was it only today, or was it yesterday, that we had the interpretation by the Canadian Press of a statement made in this house by the Minister of Public Works? I hold the Canadian Press dispatch in my hand. It reads as follows:

> The government may soon move to boost the interest rate ceiling under the National Housing Act to encourage a greater flow of mortgage money for house building, it was learned today.

The minister was questioned on that. I do not recall that he gave a satisfactory answer; but the possibility is those young people who are trying to establish a home—by the way, it is almost impossible to get money on a modest home basis—would perhaps be faced with the payment of six per cent as an interest rate. This high rate of interest cripples the small businessmen. The large corporations can get along and do their own financing because they use depreciation and various other methods. I am thinking particularly of the big retail stores which are actually turning themselves into finance companies because they find it much more profitable to sell on credit than for cash. Their real profits are derived from the finance side of their business. It is true that they are able to lower the price of goods somewhat and by this method they squeeze the smaller stores out of business. I should not be surprised if some of the 250 businesses that went bankrupt in the province of Saskatchewan did so as a result of being hurt by that particular thing.

Turning from the individual for a moment I would like to ask about interest rates. Here we have municipalities which even before the increase in interest rates were at their wit's end to obtain funds to keep their schools in operation and to extend sewer and water facilities, and they have been forced to borrow money. My own city of Saskatoon had to pay 5¼ per cent interest in

order to carry on in supplying essential services. There is no distinction, and you would not expect any, since private capital is involved, between the rate which is charged to people who are putting in luxury items and those who are concerned with essential services. Those involved with luxuries make more profit and are able to pay a higher interest rate and so they are able to obtain the money. This is something concerning which the government should take action, but of course the government will not do anything about it because it does not believe at all in economic planning.

I now wish to say a word or two about a matter that is very dear to the hearts of people in my particular part of the province. I am referring, of course, to the proposed, for that is all it is up to this moment, South Saskatchewan river development scheme. I was disappointed as I have been disappointed before by the adamant statement of the Prime Minister, which leads me to believe we will get no action concerning this project even in this election year. I shall be interested to hear my hon. friend the Minister of Agriculture (Mr. Gardiner) when he mounts the hustings in the province of Saskatchewan. He has contradicted the Prime Minister on other occasions. I remember reading a report of an occasion when both my hon. friend and the Prime Minister appeared on a platform one evening in the city of Regina. The Prime Minister said quite honestly what he has repeated here in recent days that nothing would be done about the dam and five minutes afterwards the Minister of Agriculture addressing the same audience proceeded to offer some hope and encouragement to the assembly that the project would be built, and this was done in the presence of the Prime Minister himself. Judging from the statement made today I suspect the matter will not be trotted out even in this election year, unless it be by the Minister of Agriculture.

I want to draw to the attention of the house this report with which fault has already been found in several quarters. I refer to the preliminary report of the royal commission on Canada's economic prospects, commonly called the Gordon report. There is a very adverse report there with respect to irrigation. On page 27 of the report the following appears:

> We suggest that substantial irrigation projects, while desirable from the standpoint of local areas, could be harmful rather than helpful to farmers in the aggregate.

The first thing I want to point out is that the South Saskatchewan river scheme is not solely an irrigation development, for the question of power is involved. Even if the statement on irrigation were correct, the scheme cannot be judged on the basis of benefit or practicability in regard to irrigation alone. The statement is most contradictory because previously in discussing agriculture at page 26 the report says:

> Demand will continue to rise for foods which can be produced profitably within a more intensive pattern of land use than is presently practised in Canada. This will be true as farmers move toward more meat production and higher output of poultry and eggs.

The report also refers to some form of fodder rotation to assist us in changing from a purely wheat economy. Anyone who lives in my part of the country and in the district to the southwest knows very well there is no security for the prairie wheat farmer in switching to mixed farming in that particular area. As far as I am concerned, I believe irrigation is the means of bringing about the kind of security the report mentions, and more than that it would provide the increased population to consume some of the food which would result from the implementation of the recommendations in the report. The population would be further augmented by the attraction to the province of those industries which would naturally follow upon irrigation, proof of which can be found in the southern part of the province of Alberta where you have sugar refineries, canning plants and the beef finishing industry. There you have the ideal situation that can develop on a dry belt in the prairie provinces. My second appeal to the government is to pay no attention to this part of the report but to proceed with the irrigation scheme.

There is one other matter with which I should like to deal before I resume my seat and although it may be considered a small matter by some hon. members of this house it deeply concerns the people of my constituency. Not too long ago the town of Sutherland, a railroad town on the outskirts of Saskatoon, amalgamated with the larger city. Naturally we got busy to try to get mail delivery service for that new part of the city. Well, after long delays the matter got under way, surveys were made and certain conditions were laid down. We were told that the city would have to mark the streets and name them and that 90 per cent of the people would have to write in giving their names and addresses under the new set-up, and I am told this has now been accomplished. When I recently inquired about the matter I was told that although we had fulfilled those conditions 90 per cent of the people had not yet advised that they have receptacles set up to receive the mail when it is brought around. I must say, sir, I know many people in the larger city of Saskatoon that have not yet

established receptacles. For the last 30 years I have been receiving my own mail in my milk box although perhaps I should not admit that in the presence of the Postmaster General (Mr. Lapointe). I think it is time to stop this dilly-dallying and shilly-shallying—they are both good words and they rhyme—and get on with the task so that when the weather is a little warmer the mail will be brought around. Most people lived in hope of having mail service established before the cold weather set in. Although it is hard for our good postmen to deliver in cold weather it is, after all, their work, and if the service were established it would mean only one man would go to the post office instead of the 30 or 40 who now have to go daily. Let us proceed with the matter and complete it. Surely it will have been completed before the election at least.

One other subject with which I want to deal is one of which I am particularly fond. I have noticed the measures granting aid to education that have been foreshadowed in the speech from the throne. May I say I welcome them and I have no intention of debating them here because the proper place to debate them is when the legislation is brought into the house. However, it did occur to me that I might refer to a couple of statements that have been made, one contained in the speech of the hon. member for Gloucester (Mr. Robichaud) and one in the speech of the Prime Minister (Mr. St. Laurent). I know the rules of the house would preclude my using those quotations at a time when the legislation was being considered. I referred first to the speech of the hon. member for Gloucester who discussed in both French and English—it is a pleasure for me to be able to understand both languages and I shall perhaps give quotations in both because I have a particular reason for so doing—this matter in some detail. You know, the hon. member for Gloucester and some of his confreres are coming along; they are making progress. Here is a man who believes in his heart that this legislation would be a good thing, not just because the government is proposing to bring it in. The hon. member is reported on page 4 of the translation of *Hansard* of January 8 as having said:

> We recognize that the rapid growth of our country requires a similar development of our universities and we approve without any reservation the financial participation of the state as long as the federal government does not intend to interfere in the field of education, . . .

Then we have that rhyme that we always have from some of my friends across the way. There is no one in this house who is more insistent than I, that the administration and curriculum of education should be completely within provincial jurisdiction. Then he goes on further and refers to financial assistance as constituting another means of safeguarding our cultural economy. He then went on in praise of the government and said:

> It recognizes the increased demands brought about by our national evolution. It therefore proposes to revise once more and to increase subsidies and subventions to provincial governments to assist them in providing technical and vocational training for our young people.

So the hon. member is in complete accord with grants to universities; he is in complete accord with grants to technical schools; he is in complete accord with grants for technical training. I should like to turn for a moment to the part of the hon. member's speech which he made in French and in which he used a very significant word. I was not too familiar with the meaning of the French word but I do know my Latin and I think I know what lacuna means when I read the following quotation:

(*Translation*):

> May I be permitted to point out one of the problems facing our municipalities, the seriousness of which is constantly increasing from year to year.

(*Text*):

What is the significance of the words "une lacune"? Here we have the hon. member unconsciously using that word. It was a word that came to his mind. What does it mean? I did not look it up in the dictionary but I know what "lacuna" means. It means a void, a blank, a spot that has to be filled.

Mr. Harris: A gap in the night.

Mr. Knowles: Do not "Harris" him.

Mr. Knight: I would say that there is indeed une lacune. It is a commonly used phrase and it is significant that my hon. friend used it because it has a special connotation in regard to education. Combler les lacunes de son éducation. My hon. friend would like to see that gap filled. Of course he expressed the pious hope that it will not be filled by financial support from the federal government. Oh, dear me, he must not suggest that. However, he says that it will be filled.

May I return for a moment to the English translation of the same speech, because the majority of hon. members will understand it a little better when it is given in that language. We find the hon. member returning to the wars. After pointing out that there is une lacune in this educational system, that there is this void, this blank spot, he goes on to say:

> In my constituency of Gloucester, for instance, the population of 60,000 inhabitants has to provide primary education to some 15,000 children. The

high cost of building and maintaining our schools, as well as teachers' salaries require direct taxation, far beyond the taxpayers' ability to pay.

Then there is the pious declaration again that the federal government must not be permitted to assist in any way, no, not now. However, I think the hon. member is changing his mind and seems to be progressing, because he went on to say:

This should be dealt with exclusively by our provincial legislatures, and it is up to the municipalities to insist upon the distribution by the provincial governments of a larger share of the subsidies granted the provinces by the federal government.

There is not too much difference between us. I wonder if this little thing that lies between my hon. friend and myself, and I respect his opinions, is not more political than constitutional. I think we will let it go at that.

The Prime Minister (Mr. St. Laurent) dealt with a somewhat related matter and became rather heated because his motives had been questioned. He was talking about the federal government considering the granting of direct aid to the municipalities in order to help them provide the necessary services, and he is reported on page 35 of *Hansard* of January 9 as saying:

No matter what precautions we try to take to avoid it being done there will be some who would affirm, if you were going to do something about municipal government, that we were aiming at destroying the Catholic religion and the French language in the province of Quebec. Could anything be more silly, more groundless than that?

I hope I shall live long enough, and I hope the Prime Minister will too, to see the day when he will be willing and will dare to say that the idea that financial aid to the provinces for the purpose of education would *ipso facto* mean federal control over education is also silly. My time is about up but I have one concluding sentence. If it is a personal one I hope you will forgive me. Surely there is no man in this house, I do not care what his racial origin or religion may be, who can say that I have been anything but sincere in my belief that if we grant the provinces sufficient funds that there can be across this country not equal education but equal opportunity for education. It is all right for some of the provinces. I take it the province of Ontario can finance its own education. I am pleased to see that the premier of Quebec has given large sums to the support of education in his own province. But nobody who comes from the province of New Brunswick or the province of Nova Scotia, for instance, would say that those provinces can afford to give their children an equal opportunity for education such as can be given by some of the richer provinces of which we think but which I have no time to name. Surely, no one would believe that, and I do hope that my hon. friend from Gloucester (Mr. Robichaud) for whom I have the highest respect—now that he has come to those three things; suddenly he has come to the ditch, the lacuna, the void that should be filled—that he himself will be an advocate that something should be done about it.

Mr. H. P. Mang (Qu'Appelle): Mr. Speaker, in rising to make a few comments in this debate may I first of all be allowed to offer my sincere appreciation to the Prime Minister for his happy and tactful choice of the mover and seconder of the address in reply to the speech from the throne. In asking a representative from the western prairies in the person of the genial Irish Canadian from Edmonton-Strathcona (Mr. Hanna), and the lively and active young member for Gloucester in the maritimes (Mr. Robichaud), to undertake this important parliamentary duty, the Prime Minister has once again demonstrated his broad and deep concern, and recognition of, the fact that Canadians are one family. He has again underlined by this generous gesture the necessity of unity for the future happiness and prosperity of the Canadian people. Allow me to offer my best wishes and congratulations to the hon. member for Edmonton-Strathcona and the hon. member for Gloucester on the splendid performance of their duties.

Coming from Saskatchewan as I do, I wish also to congratulate the new leader of the official opposition. Though he was not born on the western prairies, as I was, nevertheless, like our politically and physically indestructible Minister of Agriculture (Mr. Gardiner), he came to Saskatchewan at an early age and has given all his life and all his talents to that great province. I may also add another word. There are some members in this house who have been honoured by the red man of this country by being made Indian chiefs. The hon. member for Prince Albert (Mr. Diefenbaker) and I have both had this honour conferred upon us, and so have some other members of this house. Thus, in addition to my political congratulations, as one chief to another I offer him my good wishes.

An hon. Member: And how.

Mr. Mang: It is quite obvious, Mr. Speaker, that every speech from the throne must cover a variety of subjects and that any comment on it cannot help but follow much the same pattern. The speech from the throne is, as a rule, divided into three main parts. It

covers the international scene; it deals secondly with the national picture and the progress of the economy of the nation as a whole; and, thirdly, it brings to light and deals with conditions in particular areas of Canada, attempting to fit the program of these particular areas into the Canadian scene as a whole.

In this present session, as has already been pointed out by other speakers, a great deal of emphasis is placed on the international scene. The reason for this is, I think, obvious. In this modern world no nation can long remain prosperous and happy by itself alone. Indeed, it is becoming increasingly evident that what other nations do, either politically or economically, affects the life and happiness of every Canadian citizen. Speaking as a prairie westerner, I need cite only one example to give one minor illustration. Between 70 and 80 per cent of our wheat must find an export market. In consequence of this the agricultural policies of all our 80 customer nations throughout the world will affect the marketing of our product, while the agricultural policies of our competitors such as the United States and Argentina, by their disposal and sales decisions, will also affect the life of every Canadian in western Canada.

Last year this parliament in its wisdom granted some $32 million to the farmers of western Canada in an attempt to assist them in their problem of storing the surplus crops which had been produced, and in making that grant every taxpayer in Canada was affected. We appreciate the assistance very much because it did mean something like seven cents a bushel to us. That is to us in the west another illustration of the effect that this interdependence of nations throughout the world economy can have for all of us. Not only what happens in the field of trade but events in the field of politics mean that our interest is bound up with the world interest and the interest of every other nation.

What happened, for instance, in Suez and Hungary recently has affected Canada as well as the rest of the world. Little did we dream last September that we would be host to thousands upon thousands of Hungarian refugees at the present time. While I am drawing attention to this phase of international developments in recent weeks and months, and while I am mentioning the refugee Hungarians, I would just like to say that I saw some of the work done by the Minister of Citizenship and Immigration (Mr. Pickersgill) in bringing some of these refugees over to this country. That was shortly before I left to attend this session.

The first arrival of Hungarian refugees at Regina was the occasion of a very warm reception. I was very interested in attending this occasion, on the evening of their arrival, because there is in my constituency of Qu'Appelle a large community of Hungarian people who went there at the turn of the century and who have since contributed much to the economy of that particular area as, indeed, they have contributed to that of other areas in Saskatchewan. I mention that to indicate that we should welcome these people from Hungary most wholeheartedly, as was done on that occasion. Many people from this community in my area were at the welcoming reception and took part through interpreters and also in a more tangible way, having gathered finances, in helping to establish these people in this country.

A further reason for mentioning this at this time is that I think it shows that Saskatchewan has taken to heart the words of the Minister of Citizenship and Immigration just before he left for Europe when he admonished the communities of Canada to render every possible assistance in the placement and welcoming of these Hungarian patriots when they arrived here. Saskatchewan is doing this in a very commendable way.

There was one item on the agenda that evening that was most impressive. At one stage of the proceedings the chairman of the welcoming reception called upon the Hungarian patriots to rise and sing for us the Hungarian national anthem. By the time they had come to the second stanza of the anthem their emotions were very evident. Tears began to flow and at the end of their stirring rendition of the anthem the silence was such as to move all those present. We followed by singing God Save the Queen, and looking at the faces of these new Canadians I could see a spirit that will, I am sure, contribute a great deal to the progress of Canada, and when the time arrives for them to become Canadians I am sure they will make a great contribution to our national life.

I spoke to many of these people. They were from all classes of society. I spoke to engineers, mechanics, labourers, tailors, farmers and housewives. It seemed that a cross-section of the people of Hungary had been brought to our country and would be of great benefit to us. I noted in the paper today that of all the hundreds who have come here there are only about 35 who have not yet been placed in employment.

May I say a word or two about the recent railway strike that affected my constituency as I am sure it did every other constituency

in Canada. For the past few years we have been very anxious to get our products off the farms into a saleable position. In our particular area we have a good many shipping points where some millions of bushels of grain are produced. Before I came here for this session I had telephone calls and interviews with people who urged me to do what I could to bring to bear the sentiments of the farmers of Qu'Appelle constituency in order that the strike might be settled speedily.

I think that the government and particularly the Prime Minister (Mr. St. Laurent) are to be congratulated on the manner in which this unfortunate and expensive interruption in the nation's economic life was dealt with. It is not easy for a third party to step in and intervene in the affairs of two stubborn disputants. Everyone will agree that it would have been a very unhappy situation if parliament had been forced to intervene in the matter. Even if it had become necessary to settle the strike and interruption of railway service through legislative action by using the machinery of parliament and introducing the element of compulsion, I do not think that the resumption of service could have been achieved more quickly and certainly not as satisfactorily.

As all of us know, parliament met on Tuesday and by Friday afternoon a solution to the deadlock was announced. Legislative action would have brought about ill will as well as throwing the matter into politics, which was to be avoided at all costs. Such a course would have caused confusion of the issues, confusion of the public mind and would have given birth to recrimination and disunity among Canadians.

Once again the Prime Minister has proven his ability to put immediate issues in their proper perspective and arrive at a reasonable solution. To solve the difficulty in this way and to have the ability to bring about a compromise in such a manner is nothing short of genius on the part of any individual. When the Prime Minister was created an honorary chief of the Great Plains Indians at Fort Qu'Appelle some years ago, an event at which I was happy to attend, he was named wise counsellor. I submit to hon. members that no Canadian deserves that title more or carries it with greater dignity.

Perhaps this may afford me an opportunity to say a few words with respect to the attitude of farmers and consumers in general. With regard to economic dislocations caused by disputes between corporations and labour organizations in the modern economic set-up in the world and in this country, I think we have come to the point where we must take a very hard look at the justification for break-downs such as strikes cause. In our highly organized society of today, whether in this country or any other, if one group however small—and this was illustrated by the recent strike—uses the power of its organization in order to attain its ends in a way that does not always indicate the highest sense of social responsibility, shall I say, I believe it will bring about a reaction on the part of those sections of society which are not as powerfully organized as the corporations or the labour unions. Because of the very nature of his occupation and also because of his temperament, the farmer is not in a position to organize and assert his economic strength. On account of the very nature of the way in which farmers earn their living and the very nature of the temperament of the individual farmer, it is not possible for them to marshal their economic strength and bring themselves to the point of economic welfare in the way that other sections of the community can.

The consumer is in much the same position. By the very nature of the consumer population in any country they cannot be organized to assert their economic rights and negotiate by means of ultimatum. Corporations can negotiate, and do very often bring negotiations to the point where they can issue an ultimatum and say either you come to terms with us as a corporation or we will close down and throw you out of employment. On the other hand, powerful labour organizations can also issue ultimatums and say, unless you meet our conditions and our demands we will not conform to an agreement. Now, that is nothing short of a shooting war in the economy of a nation. That attitude, I think, is in time going to bring about a reaction with which the public is going to deal in a way which is not desirable in a democracy.

Mr. Argue: Who is threatening whom?

Mr. Mang: Both corporations and labour must be made to realize their social responsibilities in any demands which one makes upon the other, and could require eventually legislative action through parliament in order to safeguard the interests of the economy at large.

There are a few things which I would like to bring out with respect to my own particular area. We are a very diversified farming area. We have no industries except one small oil can industry employing 10 men in Rocanville. We have a small oil field at Wapella, Saskatchewan, but outside that we are entirely engaged in farming. The farming conditions vary in that constituency perhaps as in no other area of Saskatchewan. In

the eastern part we have a very high cattle population, the highest in Saskatchewan per section of land. Therefore, we derive a good deal of our livelihood from that. In the extreme western part we have some of the farmers on the plains of Regina who produce over 100,000 bushels of wheat. In between we have a section engaged entirely in mixed farming producing milk and cream as well as grain. In general we are a very prosperous area.

Mr. Argue: Not the farmers.

Mr. Mang: In general. We have produced the highest crops that have ever been produced. As a matter of fact farmers in some parts of my area have averaged 40 bushels per acre. We have what you so often have heard discussed in this house, namely a cash shortage, but that does not mean—

Mr. Argue: The farmers have everything but money; you are right.

Mr. Mang: —we are bankrupt. If you were to travel through that area you would find that in general taxes have been paid at reasonable levels. We find that we own one-toned cars, two-toned cars, three-toned cars, and we drive good automobiles. We have new combines and trucks and we have paid mortgages; we are in a fairly good financial position. But we do have a cash shortage and that is attributable to various factors.

I do not want any of my C.C.F. friends to go out and say, as they will, that I have presented a rosy picture to this house. However, I do think that it is about time to raise some other angles of the cash shortage situation. We have always in western Canada been short of cash for one simple reason, that we are a very aggressive, very energetic, and very go-ahead people; as soon as we get some money we re-invest it, enlarge our holdings, buy better machinery; and while we may not have much money in the bank we do build up very fine farms and live a reasonably contented life.

We are proceeding with electrification, which will assist to a degree in the cash shortage situation. It costs money. It costs $2,000 or $3,000 to fully equip yourself with electrical conveniences of this modern day.

Mr. Argue: How much does it cost for a combine?

Mr. Mang: Combines and machinery have been purchased and we are paying for them the same as anyone else in the economy of our country is paying for any goods which he buys. You buy a television set on time for 10 per cent down and in time you pay for it. We make our purchases and on the whole we do meet our commitments.

Besides investing the money which we receive we also have not quite become accustomed to the wheat board's system of marketing grain. In the years previous we, as farmers, used to be able to ship a carload of grain, and when that grain was shipped it was not very long before we received our $2,000 or $3,000 for it. We would then meet our commitments and take care of any of our purchases in that way. Now, under the wheat board's system of handling our grain, we as farmers have decided to pool our prices. There is no such a thing as No. 3 bringing a certain price in the fall and No. 3 bringing a certain price in the spring. We have instituted and agreed upon an orderly system of marketing, and I am glad to say that the preliminary report of the royal commission on Canada's economic prospects says, in connection with wheat in its first sentence, that it seems clear from the evidence presented that the method of marketing wheat and coarse grain to the Canadian wheat board is well accepted and established and that the majority opinion is strongly in favour of continuing it. But in backing this pooling system of selling our grain it has brought with it a price which we have to pay, and that is this. If the board handles our grain we are now in a position where we have sometimes to exercise a great deal of patience in bringing our grain into the marketing position because, according to our permit books, we are allotted a one-bushel quota, a two-bushel quota, a three-bushel quota and so on. On a 200-acre cultivated farm a one-bushel quota will bring you $200. You hear this every place: What can I do with $200?

Mr. Argue: Hear, hear.

Mr. Mang: That stems out of our system of marketing and handling our grain.

Mr. Argue: No; the price of wheat is too low.

Mr. Mang: In addition, very often there is a disparity which cannot be helped. I refer to the difference in allotment as between stations. One station may have a three-bushel quota, another station may have a two-bushel quota and a third station may have a one-bushel quota. That is done because there are varying grades and in order to meet its foreign sales commitments the wheat board must be in a position to call for the kind of grain for which it has a sale, No. 3, No. 4, No. 5 or No. 6, as the case may be. Then, you have the people at station A who are on a three-bushel quota talking about it. They say, "Oh, we have a three-bushel quota; we are not too badly off". The one-bushel quota point will not take very kindly to that, and you have those

annoyances and those difficulties that stem out of the way in which we market our grain.

We have to come to the point in western Canada where we must be prepared to pool our deliveries as we are pooling our prices; that is, that certain sections will receive certain quotas while other sections may receive less or more. But over the years it is the determination of the wheat board, in so far as it is humanly possible, to deal equitably with everyone.

Another reason for cash shortage is that we are entering, and have come very rapidly, particularly in the last 10 years, into an era of mechanization. Thirty years ago we used to grow both our power, in the form of horses, and also our fuel, the feed for the horses to work our land. We did not require actual cash. But now, the motive power, the power we use in cultivating our farms, requires a good deal of cash. The tractor will not reproduce itself. Our fuel consists of gasoline, and both of these things demand cash payments. Therefore, in order to build our production we are in the position where we must have a continuous flow of cash. If we get some cash it is applied immediately and I admit that we are continuously out of cash.

Mr. Argue: That is why we want cash advances.

Mr. Mang: What assistance it will be to get advances in one lump sum is perhaps something that will have to be considered. I mean cash advances on the farm in lieu of cash advances at the bank, which we now have, and which thousands upon thousands of farmers are using very satisfactorily.

Mr. Argue: The United States farmer gets a cash advance of $2 a bushel.

Mr. Mang: Yes. By the way, the United States policies are tending to come to a more flexible program than the one they have been employing. They are trying to get back to the Canadian system just as fast as they can.

Mr. Argue: Not at all.

Mr. Mang: And reduce their 88 million acres down to 55 million acres.

Mr. Argue: They get $17 an acre for taking wheat out of production.

Mr. Mang: Yes, and what price do they have to pay for that? They have to specify a certain definite acreage. If they have four quarters of land and they want to come under the scheme and take part of the benefits they must specify the northwest quarter, or whatever the land is, and take it out over a period of time. If it is turned over to reforestation, then they have to sign a contract that runs from 10 to 15 years in order to participate in the scheme.

Mr. Argue: The price of $17 an acre is a pretty good price.

Mr. Mang: Not all United States farmers are going in for that. They are trying; they are doing their very best, but with some difficulty, to get down from the 88 million acres they used to have to the 55 million acres, which is what they had before the war. On the other hand, we in Canada must have a flexible agricultural program because we have held our acreage down to around 24 million acres.

I must hurry along. Our agricultural policy in Canada is a flexible one, as it must be, because the very nature of our climate, upon which we depend for our production in western Canada, demands it. Here again I should like to refer to the commission's preliminary report. I want hon. members to listen to this. The first sentence in paragraph 2 on wheat reads:

> The surplus of wheat in Canada at present does not seem to have arisen out of the procedures used to market the crop. It has resulted primarily from weather conditions.

I think everyone will agree with that. We in western Canada know how our weather conditions fluctuate. We had in 1937 or 1938 an average crop of two and one-half bushels per acre. We climbed steadily until we reached a peak of 27 bushels per acre, and last year we had an average production of 23 bushels an acre. But that does not mean that these good crops will continue. Never before in the history of the production of grain in western Canada have we had years such as those we have had in the last few years. These years of high yields may very well come to an end. The Minister of Agriculture (Mr. Gardiner) has repeatedly drawn the attention of the farmers of western Canada to the danger of crop failures.

Mr. Argue: Hoping for a drought.

Mr. Mang: We are not hoping for a drought, but on Sunday of this week President Eisenhower left on a trip through the drought-striken states of the United States, all the way from Texas to Dakota, to examine for himself the results of the drought that goes back as far as seven years. This drought is now at the Canadian border. I know that certain sections of the press and that certain people engaged in politics like to make light of that, but that disaster has struck before and it could strike again. If that time comes we should be in very severe difficulty.

I am not too happy when I hear this constant nagging on the part of certain people in western Canada, and a few of them are even sent down here. They are constantly nagging this parliament into policies which would be rigid and fixed and not flexible. The time may come when we shall need the good offices of the government of Canada to help us out of our difficulties.

Mr. Argue: That is right now.

Mr. Mang: If we have two successive crop failures in western Canada due to the weather it will mean stark and naked disaster because we have built up our—

Mr. Argue: With no crop insurance scheme it surely will.

Mr. Mang: You take television; you are good on that. We have built up our standard of living and our standard of social security on the western plains in the last 10 years, our social security program, our electrification program, our telephone system and our radio system, and we are now going into a grid system, to the point where we have built up for ourselves collectively and individually as high a standard of living as we can possibly afford to have at the present time. If we should have a drought great changes would take place. If any hon. member wishes to get a picture of what happens in a drought all he has to do is to read the January 14 issue of *Newsweek* and he will get a complete story of it. This drought has been in existence in Texas and has marched up through the United States and is now on the border of Canada. The hon. member for Lethbridge told me that his average crop this year was nine bushels to the acre. Now then, at this price and with our cost of production imagine what this will mean.

Mr. Johnson (Kindersley): We should build the South Saskatchewan river dam, then.

Mr. Ellis: How about building the South Saskatchewan river dam?

Mr. Mang: The hon. member's position with regard to the dam is well known. I will tell you one sure way of retarding that program in central Saskatchewan. It would be to put a lake two-thirds the size of lake Erie right in the heart of the province that could be used for various things I will not mention now. The more this parliament and this government are nagged with respect to the development of Saskatchewan—

Mr. Ellis: Is that a threat?

Mr. Mang: —the further back you will set progress.

Mr. Ellis: Intimidation.

[Mr. Mang.]

Mr. Mang: It is largely due to irresponsible statements—

Mr. Argue: From the minister.

Mr. Mang: —from hon. members from the west that progress has been retarded. You are doing a disservice the same way you are doing in connection with the wheat board. In that regard you are constantly emphasizing that the wheat board is not selling enough wheat. Certain hon. members from the west belonging to a certain political party continually repeat that not enough is being done and in this way those who are doing so are undermining—

Mr. Ellis: We are blaming the government.

Mr. Mang: —the faith of the western people in the efficacy of the wheat board.

Mr. Argue: That is garbage.

Mr. Mang: The sooner those tactics are dropped the sooner will we be assured of the continuation of the wheat board.

Mr. Ellis: We will see how you vote on our motion.

Mr. Mang: I have had many distracting interruptions—

Mr. Ellis: Do you agree with the Minister of Agriculture (Mr. Gardiner) that we already have parity prices?

Mr. Habel: Did you hear about Regina?

Mr. Mang: I would like someone in that group which is so vocal to make a close study of what they actually mean by parity prices. You know, one of our greatest difficulties in the west is this element of disunity and this intrusion of agitators into economics, and the spearhead of that is the C.C.F. party.

Mr. Argue: There is always room for one dentist.

Mr. Mang: These policies—I just forget what the question was.

An hon. Member: Lose your page?

Mr. Mang: No, I did not lose the page.

Mr. Ellis: Do you agree with the Minister of Agriculture in his statement to the effect that we have parity prices now?

Mr. Gardiner: I never made any such statement.

Mr. Mang: No one defines parity, but anyone who studies the situation means by parity a standard of living equal to that enjoyed by those people engaged in occupations other than farming, and any parity price adjustment that will eventually be worked out must take into account that attitude toward parity prices.

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member but I am obliged to advise him his time has expired.

Some hon. Members: Go ahead.

Mr. Michael Starr (Ontario): Mr. Speaker, I wish to join the previous speakers who have taken part in this throne speech debate in extending my congratulations to the mover, the hon. member for Edmonton-Strathcona (Mr. Hanna), and the seconder, the hon. member for Gloucester (Mr. Robichaud), on the fine contribution they have made and the manner in which they discharged their responsibilities in this debate. However, I cannot with the same enthusiasm extend congratulations to the authors of the throne speech, because I have come to the conclusion that many problems affecting the people of Canada have not been considered or dealt with in the presentation of the speech.

I do, however, wish to say that the grants to municipalities, which the government proposes to pay in lieu of taxes for federal property and buildings located within the boundaries of municipalities, and which require necessary municipal services, is a most welcome aspect of the throne speech. If we are to assume that the intention of the government is to pay grants in lieu of taxes on the normal assessment of any particular municipality, it would mean that the property located in the city of Oshawa, as an example, would annually bring an additional $40,000 in revenue to that municipality.

This matter has been continually advocated by members from this side of the house for many years and proposals have been submitted to the government in this respect. I, personally, have brought this matter to the attention of the government on a number of occasions. Unfortunately these proposals are either rejected at once or are heard in stony silence by the government. Instead of taking immediate action on sound proposals such as this, this government has a tendency to postpone action for four or five years. In my opinion, financial matters in respect to municipalities are not matters to be delayed but rather are of sufficient importance to be acted upon immediately.

The approximately 4,000 municipalities in Canada have had difficulties in raising money for necesary services and capital expenditures for quite some time. This pressure on the municipalities is getting more acute year by year. We are told that Canada leads the world in industrial expansion; that Canada is booming. We are also told that our productive capacity, our national income and our output of goods are rising to dizzy heights undreamed of even a decade ago. But for what reason do we work, save and invest, except to raise our family and individual standard of good living? These are the very things we expect our municipalities to provide—hospitals, schools, community services and comfortable, well-protected homes, well supplied with power, water and sewage systems in keeping with a progressive civilization.

But what is the situation today? The fact is that we are lagging behind in all these things. We are not getting the benefits of this boom because our municipal governments are being denied a fair share of the Canadian tax dollar. This situation is the result of the federal government's policy of monopolizing the major share of the tax dollars raised by all governments. The federal government is most reluctant to relinquish some of the taxing powers that were enjoyed previously by the provinces and the municipalities. This question of taxing power is most unfair and unjust. The result is that a heavy burden has been placed on the small home owner in the Dominion of Canada.

Yet, Mr. Speaker, the federal government is loath to part with even a slight portion of their share of the tax dollar in order to relieve the small home owner, but seems rather to enjoy and jealously hoard this taxing power within its scope. There is no question as to the heavy real estate tax burden that is now being borne by the small home owner of every municipality in order to pay for the many services that municipal councils are called upon to supply. The municipalities of all our provinces face the same problems. It does not really matter by what name we call them, whether it be townships, cities, towns or villages. In the long run they are all part of a level of government which is just as essential to the federal principle as are the provinces or the government of Canada. It would be a real catastrophe if a time should come when they are forced into obscurity or insignificance by any other level of government. This seems to me to be the real danger of the centralization of so many functions and powers of government here in Ottawa. It would also be a calamity if the municipalities were forced by sheer necessity of every day problems to so increase the tax load that home owning becomes in Canada a mark either of great wealth or of economic folly.

I wish to remind this house that no less than 80 per cent of municipal taxation is borne by real estate. According to the latest figures issued by the dominion bureau of statistics we find that in 1939 the tax dollar was shared as follows: The federal

government received 48 cents; the provincial government, 22.3 cents; and the municipal government 29.7 cents. At the present time the federal government has increased its share to 77 cents of the tax dollar; the provincial government has been reduced to 12 cents; and the poor cousin of the senior governments, the municipality, receives 11 cents.

The Canadian tax dollar represents the total amount of all tax collections at the levels of the three authorities which under our Canadian federal system have the responsibility in the matter of the expenditure of public funds. In the past number of years the federal government has encroached upon the Canadian tax dollar to an extent never before envisaged. I may be asked what the federal government should do immediately and constructively to help to meet this critical situation but I do not have to go far to find an answer.

In the first place there must be a rebalancing of the taxation powers between the federal government on the one hand and the provinces and the municipalities on the other. In other words, the central government must learn, in the same way that we all must learn in our private lives, to get along on less. Taxation must be reduced, particularly the federal share of the Canadian tax dollar which must be brought within reason to allow the municipalities to levy taxes which are at least close to being in keeping with the increased demands on their resources.

We must remember that there is only so much money in the budget and if one member of a family takes more than he needs the others must suffer. I do not advocate that we all should share equally, but it does seem to me to make sense that each should participate in the family finances, not according to his strength, size or power but according to his needs as agreed upon in family council.

Since world war II municipalities everywhere have experienced a tremendous growth in population. They have experienced expansion in every phase of community life. The result has been that they have been burdened by the problem of raising funds to supply the various necessary services which include such important things as schools, waterworks, sewers and water mains. For these very necessary services the municipalities must sell debentures in order to raise capital. They try to do this at as low a rate of interest as possible.

The present bond market situation poses some very serious problems for municipalities which are obliged to raise increasingly large sums of money by debenture financing. Interest rates which have risen sharply in the past 18 months reflect the general scarcity of funds for investment purposes. The prospects of a downward trend, while unpredictable even within the near future, do not appear evident for some time to come, and especially as long as present economic conditions continue.

This situation appears to have developed as a result of the substantially high level of capital investment that has been and is being experienced in Canada within recent years at least, which has brought into play competing forces for the available supply of funds both in this area and in the general area of consumer demands.

With a view to easing this situation the monetary authorities, through various means at their disposal, have made it increasingly difficult to borrow money through the medium of forcing upward adjustment of interest rates.

This action has been taken undoubtedly in the interests of the economy of the country as a whole and it is inevitable under such circumstances that some groups or segments of the economy are affected more seriously than others. Municipalities are in this category.

Municipalities at the present time have to compete for borrowings against other securities which suffer less from the impact of a monetary condition of this kind such as private corporations which are able to offer securities at high interest rates because the net cost after taxation is only about half of the actual interest paid.

In addition they are able to offer other inducements to potential investors such as through dividend participation, stocks, warrants, etc. The unfortunate effect of this on municipalities at least is that under present market conditions they are obliged to pay a higher rate of interest on their borrowings than their actual credit warrants.

Quite recently, as reported in the Oshawa *Times-Gazette* of Friday, January 11, 1957, over which the headline read "Tight money policy hits city finances", a meeting was held of the Oshawa city council in conjunction with the public utilities commission and the board of education of that city. It was reported that a debenture issue in the amount of $1,600,000 will be placed on the market within the next week and a close watch will be maintained in the bond market for an opportunity to market a further issue to cover the expenditure already made. This meeting was called at the request of the board of education to discuss the financing difficulties confronting the board of education and the public utilities commission building programs. It was pointed out that

an immediate addition to the water works would have to be made and that water supply problems were at a critical point during the summer of 1956 and only the unusually cool season prevented major water shortages.

The board of education is faced with a program of five new schools and they advised this meeting that $1,250,000 is needed immediately for one secondary and one elementary school which are being planned for this year. What interest rate will have to be paid in the present competitive market it is hard to say, but there is no doubt that it will be high and difficulty may be experienced in the sale of these bonds.

The most disturbing feature of the whole situation is that the investment market does not appear to make any particular distinction between municipal and other corporate borrowers. Everything must be competitive. Because of that, the very interests which cried the loudest when muncipalities got into trouble through excessive borrowings and high interest rates in the thirties are now contributing to what might conceivably develop into a similar situation again in some areas at least. In any event they are not doing anything to alleviate the situation. The question is what, if anything, can or should the municipalities do about the situation.

The unfortunate part is that many services of municipal governments cannot be postponed, even with the best will and intentions of the authorities concerned. Children cannot go without schools nor can people exist without the basic amenities of life, such as sewer and water mains. The result of the present situation means that the 4,000-odd municipalities in Canada will have to pay additional millions of dollars in increased rates of interest to supply these necessary services, which in turn will be an additional burden on the small home owner in the municipality.

It has been suggested time and time again to this government by these hard-pressed municipalities which I have mentioned that the federal government establish a fund from which municipalities could borrow money at a low rate of interest in order to institute these necessary programs. I urge the government, Mr. Speaker, to give this matter very serious consideration without any postponement. The time has come for immediate and decisive action in order to help these hard-pressed municipalities. Surely, Mr. Speaker, it is an acknowledged principle of our way of life that the strong must help the weak and that the rich must assist the poor. If these principles are adhered to I am sure that a great deal of the difficulty which now presents itself to the basic governments in our country could be alleviated.

And now, Mr. Speaker, I should like to refer to the automobile excise tax for a few moments.

Although I have referred to the excise tax on automobiles in a number of previous speeches I have made in this house, and have also asked questions on the orders of the day, I feel it is necessary for me to bring this matter again to the attention of parliament.

This tax has readily been acknowledged by everyone as an unnecessary tax ever since it was instituted as a luxury tax, and at the present time it is most unsound. The automobile is now a basic necessity. At the present time a person buying an automobile pays $165 luxury tax when the automobile costs $2,500, though in the majority of cases the car is purchased for the purpose of driving to work. Also included in this price is another $165 in sales tax. To more than eight people out of ten a car is an absolute necessity.

To quote from a speech made by William A. Wecker, President of the Canadian Automobile Chamber of Commerce and President and General Manager of General Motors of Canada Limited, on August 28, 1956:

> The history of our industrial development will record that much credit for our great progress in recent years is due to the automotive industry and the transportation provided by motor cars and trucks. Without them our economic life would remain narrow and restricted. It is unfair to tax as a luxury an item that makes such a contribution to our economy.
>
> At the same time this discriminatory tax has a disruptive effect on our industry's efforts to provide an increasing measure of employment stability.

Two years ago, Mr. Speaker, I pointed out in this house that the loss of revenue from the decrease of the excise tax would not be very much, if any. I am sure that after the tax was cut by five per cent two years ago it was found that the additional revenue from the 10 per cent sales tax and the increased number of people employed who were eligible for income tax has more than made up the loss of revenue from the five per cent cut in excise tax.

The same thing would apply at the present time, and I urge the minister to give this matter his most earnest consideration. During the year 1955 the purchasers of new cars and trucks paid $172,189,762 in sales and excise tax.

Another very important matter in this connection is the application of tax reduction or removal on cars in the hands of dealers. At the present time the sales and excise taxes on passenger cars are collected by the manufacturer before the car goes to the dealer

for sale to the customer. This method is most unfair to all, and in effect treats these cars still in the salesroom and waiting to be sold as though they had actually been sold while the higher tax levels were in effect.

I bring this matter once again to the attention of the Minister of Finance (Mr. Harris) and hope that because of the representations which have been made by the automobile dealers in Canada he will give it his serious consideration and remedy this most unfair method of collecting taxes on automobiles.

Mr. J. R. Kirk (Antigonish-Guysborough): Mr. Speaker, at the outset I wish to join with previous speakers in extending felicitations to the mover and seconder of the address in reply to the speech from the throne. I congratulate them upon the excellence of their material, and at the same time I must confess to envying them both a little for the ease with which they expressed themselves.

It is not my intention to delay the house with extensive comments on the various items of legislation mentioned in the speech from the throne. However, I do wish to make some brief references to matters of special interest to those in the constituency of Antigonish-Guysborough which I have been privileged to represent in this house since 1936. I hope that I can make up by sincerity of purpose for what I may lack in oratory.

Antigonish and Guysborough counties have one very definite thing in common—both have very long stretches of seacoast, and in both counties many of our residents depend for their livelihood upon the products of the sea. The first part fo my remarks will therefore deal with those things which affect our fishermen and the fishing industry generally.

First of all, may I compliment our able Minister of Fisheries (Mr. Sinclair) for putting into effect, recently, legislation benefiting our fishermen. I refer to the insurance coverage for fishing boats, nets, traps and other fishing equipment which has already been of great assistance to the fishermen; also to the more recent step of extending unemployment insurance benefits to our fishermen.

In speaking in this house on March 16, 1953, I stressed, along with other matters, the need for insurance for fishermen against storm losses, and unemployment insurance coverage for farmers and fishermen. It is gratifying to note that for our fishermen at any rate these protections have now become a reality. Perhaps at a later date our farmers will also be brought under the benefits of the Unemployment Insurance Act.

At this point I am also going to reiterate other suggestions which I made on March 16, 1953, and in fact, as far back as 1948. These have to do with a search and rescue service and improved aids to navigation. True, some steps have been taken by our capable Minister of Transport (Mr. Marler) in connection with the first named, by the establishing of a helicopter-equipped service. This, of course, will take several years to bring to completion, but it is certainly a step in the right direction. I hope that we will soon see this type of service put into operation along the maritime coast. In my constituency within recent months a tragedy occurred off the coast of Canso, resulting in the loss of several lives, which could conceivably have been averted if a more up-to-date coast-guard service had been available.

The second item of improved aids to navigation is something about which I feel very deeply. I appreciate what our fishermen go through as they leave their home ports during the fall and winter months long before daylight for the fishing grounds. Their return trip is plagued only too often with fog, rain, snow, sleet, along with nightfall, and they must often pin their hopes for a safe arrival upon the navigational aids provided by the Department of Transport. In my opinion these aids are often too sparsely distributed and of a kind not best suited to the fishermen's need.

Quite frequently in this regard the judgment of departmental officials overweighs that of the fishermen who from bitter practical experience are in a better position to know what types of aids will prove most advantageous. In making representations to departmental officials in this respect I find their stock reply, in some instances, is that the aid requested is not needed, though, to repeat, I believe the fishermen to be the best judges in the specific localities where they operate. Other replies are either that the materials for such aids are in short supply, or else that there are no funds available.

I do not want to be too hard on these departmental officials nor upon the government but, as I have said, I feel very strongly for our fishermen and I contend that more money could and should be made available to provide these necessary navigational aids.

The fishing industry on the Atlantic coast will be greatly heartened by the action of President Eisenhower in turning down the recommendation of the United States tariff board concerning the tariff on Canadian fish entering the New England market. I am sure this was not done without considerable interest being displayed by our Canadian government, and we in the east are grateful to all concerned.

At this point I might be permitted to refer, as previous speakers have done, to the

recently published preliminary report of the Gordon commission on the Canadian economy, and particularly to that part which deals with the Atlantic provinces. The commission indicates that there is much doubt whether anything can be done to improve the lot of the maritimers other than by helping them to buy one-way tickets to greener pastures in upper Canada. I have some suggestions as to what could be done to encourage our fishermen to remain at home and improve their earning capacity. What our fishermen lack, in my opinion, are certain facilities whereby they can increase their catch and steady markets where it can be disposed of at a reasonable price. By navigational aids such as I have already mentioned, by freight rate revisions and by expenditures on wharves, breakwaters and dredging our fishermen could increase their earning capacity and do so without too great a hardship.

In this connection I am going to bring to the attention of the Minister of Public Works (Mr. Winters) some improvements which are very much needed in the fishing centres of Antigonish-Guysborough, improvements which would be more welcomed by our fishermen than any dole or transportation allowance such as the Gordon commission report suggests. Speaking offhand, I would list the following points where public works would be welcomed and are necessary: Arisaig, Malignant Cove, Livingstone Cove, South Lake, Morristown, Bayfield, Barrio's Beach, Cape Jack, Havre Boucher, St. Francis Harbour, Boylston, Peas Brook, Canso, Little Dover, Port Felix, Charles Cove, Larry's River, New Harbour, Drum Head, Isaac's Harbour, Liscomb, Marie Joseph and Ecum Secum.

All of these have been brought to the attention of the Department of Public Works at one time or another while I have had the honour to represent Antigonish-Guysborough, now nearly 21 years. Undoubtedly the increased activity which would develop in our fishing industry would be very considerable if public works would improve the facilities at these fishing points.

I should like to turn now to the farming industry of Nova Scotia. On December 13 last most of the Nova Scotia members of parliament met with representatives of the Nova Scotia federation of agriculture in Truro. This meeting was quite informal and the discussions covered a variety of subjects dealing with matters of most interest to our farming communities.

One thing stressed by the federation representatives was the need of what they referred to as a protection policy. They did not explain as fully as I would have liked just what they had in mind, but I presume it refers to a stability which would result from a more reasonably balanced relationship between farm prices and farm costs. It is true that farmers, like other consumers, must buy many articles of daily living on a protected market while they must sell their products on an open market. I have no pretensions to being an authority on economics, agricultural or otherwise, but I should like to see something done to ease this imbalance experienced by our farmers. I may add that I am satisfied that if any government can thus bring added prosperity to our farming population this Liberal government can and will do it.

There are various measures which can assist, directly or indirectly, in providing better returns for our farmers and I should like to comment briefly upon some of them. I welcome the appointing of a Senate committee to review the problem of submarginal lands in eastern Canada. In my constituency, where most of our farms lie close to the sea, it is only to be expected that the land is not particularly fertile, especially so when one realizes that much of this land has been tilled for several hundred years. I believe that the results of this study will be truly helpful to our marginal farmers, directing their energies towards the best use and conservation of the land. I hope too that erosion problems, land drainage and reforestation will be included as topics for study by the committee.

Within the last year or two, community pasturage programs have been initiated in Nova Scotia and it is hoped that this will be further developed to the benefit of our cattle and sheep farmers.

One matter I wish to mention is the benefit to our farmers of the feed freight assistance policy initiated by this federal government. I would urge that this policy be maintained and, indeed, be placed on a permanent basis.

With regard to freight rates, the situation today is that the Maritime Freight Rates Act is no longer helping maritime producers. Increases in freight rates have been so frequent in recent years that the time has come for a complete revision of the act if we are to enjoy any of the assistance envisioned by the act at its inception. I cannot emphasize too strongly to the government the need for such a revision and with the least possible delay.

The welfare of our farming communities is affected by the buying power of the people generally. When old age pensions and family allowances were first introduced by the Liberal government of prime minister Mackenzie King, the amounts decided upon were governed in great part by the purchasing power they represented, and certainly

during the years that have intervened this added purchasing power has been a boon to all phases of Canadian life. However, with the passing of years the purchasing power of the dollar has gradually dwindled, and nowhere is it more evident than in its application to these pensions. I believe I am correct in estimating that by far the greatest part of these pensions goes for increased food costs, and to the degree that this is true at least I should like to see these pensions increased to restore to them the buying power which was originally intended.

It was good news to hear that federal grants to universities are to be increased and that vocational and technical schools will also profit from the government's recognition of the contribution being made by education to the development of Canada. I would express the hope, however, along with other hon. members, that the system of allocating the grants to universities will be changed to a more equitable basis as between province and province. The province of Nova Scotia now suffers in this respect from the fact that such a large percentage of its population endeavours to attend our halls of higher learning.

In my home town of Antigonish we have the university of St. Francis Xavier where many students come from other countries, attracted by the studies in co-operative methods and adult education in which our university has pioneered. We have, indeed, a miniature commonwealth of nations in our midst. Students from India, Pakistan, Bermuda, South America, the United States and even from far away Kenya colony come to St. Francis Xavier to join with our own Canadian students in the pursuit of knowledge. I know I speak for the governors of the university when I express to the Prime Minister (Mr. St. Laurent) their thanks as well as my own for his warm interest in matters academic.

Upon reading the speech from the throne, Mr. Speaker, one cannot but be impressed by the remarkable strides forward that Canada has made both in economic expansion and in its position as a world nation during the past number of years under a far-sighted Liberal government. For our younger Canadians especially there are now no bounds to the avenues open to them, and who would dare to forecast the future that awaits them?

I should like to conclude these remarks with an excerpt from a speech made by former prime minister W. L. Mackenzie King, in Kingston on June 7, 1941, words which seem particularly applicable to Canadians of this era. He said:

> In a country like Canada, every man is more or less the architect of his own fortune. Our great public men have become the architects of our country's future, without regard to birth or race or class. Intelligence, industry and integrity are the basic qualities by which they have achieved this goal, qualities to be had by any Canadian who has the will to persevere.

BUSINESS OF THE HOUSE

Mr. Harris: Tomorrow we shall take the resolution standing in the name of the Prime Minister with respect to the Canada Council; then, second reading of the Canadian Wheat Board Act; then, the resolution standing in the name of the Minister of Justice; then, the resolution standing in the name of the Minister of Northern Affairs and National Resources.

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

ANSWERS TO QUESTIONS

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

FERRY SERVICE, CAMPBELLTON, N.B.-CROSS POINT, QUE.

Question No. 14—**Mr. Van Horne:**

1. Is an annual subsidy paid to Captain Romeo Allard in connection with the operation of a ferry service during the summer months from Campbellton, New Brunswick to Cross Point, Quebec?
2. If so, what is the annual amount paid?
3. What is the total amount paid to date?

Answer by: **Hon. George C. Marler (Minister of Transport):**

1. No.

2 and 3. Answered by No. 1.

FERRY SERVICE, DALHOUSIE, N.B.-MIGUASHA, QUE.

Question No. 15—**Mr. Van Horne:**

1. Is an annual subsidy or grant paid to Captain Romeo Allard in connection with the operation of a ferry service from Dalhousie, New Brunswick to Miguasha, Quebec?
2. If so, how much is being paid annually?
3. What has been the total amount paid to date?

Answer by: **Hon. George C. Marler (Minister of Transport):**

1. No.

2 and 3. Answered by No. 1.

FISHERMEN'S INDEMNITY FUND, NOVA SCOTIA

Question No. 25—**Mr. McCulloch (Pictou):**

1. How many fishermen in Nova Scotia qualified for benefits under the fishermen's indemnity fund during 1956, and what was the total amount of benefits paid?
2. Have any claims been received in respect of losses suffered in 1957 and if so, how many have been paid?

Answer by: **Hon. James Sinclair (Minister of Fisheries):**

(1) Thirty-five fishermen insured under the fishermen's indemnity plan suffered losses of or damage to their fishing vessels during 1956. Eighteen of these have been paid indemnities totalling $14,662.41. In the other 17 cases, 14 of which occurred during the last two days of December, settlement is pending.

One hundred and ninety-two lobster fishermen whose traps were insured under the plan received indemnities totalling $28,267.75.

(2) One total loss reported but claim not yet received. No claims for lobster trap losses in 1957 have been received to date.

HOUSE OF COMMONS

Friday, January 18, 1957

The house met at eleven o'clock.

PENSIONS

REQUEST FOR INCREASE IN PENSIONS OF SUPERANNUATED CIVIL SERVANTS

On the orders of the day:

Mr. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to address a question to the Prime Minister. It arises out of the rather optimistic statement made by the Minister of National Health and Welfare yesterday that the amount of old age pensions might be increased. Can the Prime Minister assure the house that any increase in that regard to meet the continuing depreciated value of the dollar will be extended to the superannuation payments to retired civil servants, members of the armed forces and the Royal Canadian Mounted Police?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I think the Leader of the Opposition is a little bit premature in expressing his curiosity about what will be the decisions of the government and the recommendations it will make to parliament. I can assure him that all matters of public interest receive careful consideration, and when decisions have been reached they are announced in the forms that are traditional in constitutional assemblies.

Mr. Diefenbaker: I then ask the Prime Minister whether the interpretation placed on the optimistic words of the Minister of National Health and Welfare yesterday is well founded because, after all, the minister chose to indicate that something was going to be done; and he having indicated that, certainly I think I have the right to ask whether similar treatment is going to be extended to those whom I have mentioned that find themselves in a serious plight.

Mr. St. Laurent (Quebec East): The hon. gentleman heard the minister's words and he is entitled to whatever interpretation he feels he should put upon them. I am not going to attempt to interpret them at this time because I do not think that would be proper.

[*Later:*]

Mr. George H. Hees (Broadview): Mr. Speaker, I should like to direct a question to the Prime Minister arising out of the answer he gave to a question asked by the Leader of the Opposition. Is it not true that an indication has been given to Liberal members that an increase will be put through and was the suggestion not made that they make speeches asking for an increase for use in the election campaign?

Mr. St. Laurent (Quebec East): No, Mr. Speaker.

IMMIGRATION

C. G. HANNA—INQUIRY AS TO REQUEST FOR ENTRY TO CANADA

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): Mr. Speaker, may I ask the Minister of Citizenship and Immigration whether Christian G. Hanna has been permitted to land in Canada, and is the minister prepared to give further consideration to his desire to become a resident of this country?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, I am advised that a lawyer in British Columbia has applied for a writ of habeas corpus, addressed to the master of the vessel on which this man is, and the application for the writ is to be heard, I believe, today. We thought it desirable to have my department represented by counsel as an observer.

EAST ASIA—POLICY REGARDING ADMISSIBILITY OF IMMIGRANTS

On the orders of the day:

Mr. O. L. Jones (Okanagan Boundary): Mr. Speaker, I should like to address a question to the Minister of Citizenship and Immigration. Could the minister inform the house if an agreement has been reached between Canada and East Asian governments on future policy in regard to admitting immigrants from those countries to Canada?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): If the hon. member's question relates to the revision of the agreement with India, that matter is still under negotiation and I hope will be settled very shortly.

OLD ORDER AMISH SETTLERS—REPORTED REFUSAL TO ADMIT FROM UNITED STATES

On the orders of the day:

Mr. J. A. MacLean (Queens): Mr. Speaker, I would like to address a question to the Minister of Citizenship and Immigration.

Inquiries of the Ministry

Would the minister clarify the situation regarding the subject matter of a news report from Washington, D.C., to the effect that a group of Old Order Amish settlers from the United States who had planned to buy farms and settle in Prince Edward Island have had their applications for entry into Canada rejected?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): As far as I know there has been no such group. There was an individual case of one of these people who was not able to satisfy the immigration requirements.

HUNGARIAN REFUGEES—INQUIRY AS TO RETURN TO HOMELAND

On the orders of the day:

Mr. J. W. Murphy (Lambton West): I think my question is quite timely in view of the publicity in the United States that several refugees from Hungary have been returned. May I ask the Minister of Citizenship and Immigration if any of these immigrants to Canada have been returned and, if so, how many and for what reason?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): No, sir. We gave an undertaking we would not return any of these people to Austria, and it is the custom of the present government of Canada to keep its word.

THE CANADIAN ECONOMY

GORDON COMMISSION REPORT—RECOMMENDATIONS RESPECTING COMBINES LEGISLATION

On the orders of the day:

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I should like to ask the Minister of Justice if he has yet had time to consider that portion of the Gordon commission report which suggests that further study be given to the whole question of combines legislation and if so whether he has had an opportunity to make a decision and whether it is likely that some such inquiry will be made in the near future.

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, the answer is no.

ADMINISTRATION OF JUSTICE

SENTENCES TO JUVENILE OFFENDERS—CLIFFORD WILLIAMS CASE

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I should like to direct a question to the Minister of Justice and I regret not having sent him notice of my intention to do so, although I do not think he will need it. Could the minister report any progress on his efforts to prevent juvenile offenders from being sentenced to Canadian penitentiaries and also can he report any progress or advise as to the present status of the Clifford Williams case?

Hon. Stuart S. Garson (Minister of Justice): Well, Mr. Speaker, in dealing with the second question first I might say the Clifford Williams case, in view of the representations which have been made, has been under almost constant consideration by my colleague the Solicitor General since the matter was raised in this house and I believe that Mr. Williams will be released as soon as his degree of rehabilitation warrants that course.

With regard to the first question, I think I should take my hon. friend's question as notice.

SHIPPING

PILOT BOAT ACCIDENT, SAINT JOHN—REQUEST FOR PUBLIC INQUIRY

On the orders of the day:

Mr. A. W. Stuart (Charlotte): Mr. Speaker, I should like to direct a question to the Minister of Transport. Will the minister assure the house that a full scale public inquiry will be conducted in connection with the most serious loss of life as a result of the sinking of the pilot boat outside Saint John harbour?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, a preliminary investigation has been made by one of the senior officials of my department. I have not yet received his report but unless his report discloses reasons which would seem to make such an inquiry unnecessary it would be my intention to order an inquiry as soon as I have had an opportunity of seeing the report to which I have just referred.

COMBINES INVESTIGATION ACT

ONTARIO—ACTION TO BE TAKEN CONCERNING FLUE-CURED TOBACCO

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to direct a question to the Minister of Justice. Is the government planning any action as the result of the report of the restrictive trade practices commission concerning the production, purchase and sale of flue-cured tobacco in Ontario?

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, the government has that report under active consideration at the present time, but we have not yet reached an opinion which would require to be communicated to the house.

NATIONAL REVENUE

ACTION TO PROHIBIT ENTRY OF SALACIOUS LITERATURE

On the orders of the day:

Mr. Michael Starr (Ontario): Mr. Speaker, I should like to direct a question to the Minister of National Revenue. Can the minister advise what action is being taken and what orders, if any, have been given to customs officers at the border between the United States and Canada to stop the entry of salacious and indecent literature into Canada?

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, that is a matter which comes under section 1201 of the Customs Act which will be continuously applied as it has been for years. As you know, the procedure is that when salacious literature of any kind seeks entry at a port it is sent on here to Ottawa where it is reviewed and a decision is made concerning whether or not it comes within the prohibition in section 1201.

Mr. Starr: A supplementary question, Mr. Speaker. Is that rule strictly adhered to and carried out?

Mr. McCann: Yes, Mr. Speaker, it is.

Mr. Fraser (Peterborough): May I ask who reviews it here?

Mr. McCann: There is a committee of the department which makes the first review, and it is then passed on to the deputy minister, and the final decision is made by the minister.

Mr. Roland Michener (St. Paul's): Mr. Speaker, I have a supplementary question. This question of salacious literature is a question of continuing interest in the country. When a particular publication is sent to Ottawa for review, is its import prevented while that review takes place? I would also like to invite the minister to present to the house at a later date information as to how many prosecutions have taken place and what results have been obtained.

Mr. McCann: With reference to the first question, the invoiced goods would be retained if there were any quantity at the port of entry, and a sample would be sent on to Ottawa. In the meantime entry is prohibited entirely. With reference to the second question, I shall take it as notice.

Mr. R. R. Knight (Saskatoon): Mr. Speaker, while not committing myself at the moment to any general views on censorship, in view of the fact that a voluntary committee of some sort has been operating in Ottawa in the scrutiny of various publications at places where these things are sold, would the minister inform me if that committee has any authority from the dominion government or anyone else to prevent people from displaying such literature upon their counters?

Mr. McCann: There are two different sets of circumstances involved in that question. The matter of entry into Canada of literature which is sexual or salacious comes under the Department of National Revenue, customs; the matter of literature which is on sale in stores and which is circulated through the Post Office Department comes within the jurisdiction of that department. I presume that any prosecutions made are probably made in the first instance because the mails are being used for the circulation and transportation of such literature and would come under some other regulation with respect to the exposure and sale. That does not have to do with the Department of National Revenue.

Mr. Knight: Apparently the minister did not hear my question, at least he did not answer it. I asked specifically if the voluntary committee or committees which I understand are operating in Ottawa at the moment in examining certain types of literature at the places where such items are sold have any authority from anyone to say to the dealer that he must not exhibit such publications for sale.

Mr. McCann: I am unable to answer that question because I do not know under what authority that committee acts. If it is a voluntary committee I would think that it has no authority and should bring any such matters to the attention of whatever department is concerned, either the Department of National Revenue, customs and excise, or the Post Office Department.

[*Later:*]

POST OFFICE DEPARTMENT

ACTION TO PROHIBIT ENTRY OF SALACIOUS LITERATURE

On the orders of the day:

Mr. Michael Starr (Ontario): I would like, Mr. Speaker, to address a question to the Postmaster General.

What precautions, if any, are taken by the Post Office Department to prevent entry into Canada of salacious and indecent literature?

Hon. Hugues Lapointe (Postmaster General): Mr. Speaker, the Post Office Department does not set itself up as a censoring body. Such literature, or objects in parcels, found to be passing through the mails would be stopped, and are not delivered should the matter come

to the attention of the post office. The literature would be destroyed and so would certain objects for whose carriage the mails are being used. But there is no body in the Post Office Department which is set up particularly to exercise censorship of the mails. It must be understood that most of this type of material would arrive under seal and could not be observed by the post office unless the parcel or envelope were opened. In many cases this is done at the port of entry by the customs officers in the normal exercise of their duties, and when it is found to be that type of material it is then referred to the Post Office Department and we do the investigation as to the source and the addressee.

[*Later:*]

(*Translation*):

Mr. J. Wilfrid Dufresne (Quebec West): Mr. Speaker, I should like to ask the Postmaster General another question. Does the minister intend to rid us of that mass of literature and propaganda which clutters our postal boxes every day and comes from the Russian embassy?

Mr. Lapointe: Mr. Speaker, if the hon. member will allow me, as Postmaster General, to open his mail, particularly his first class mail which is sealed and stamped, I shall be very happy to make sure that no propaganda reaches him.

Mr. Dufresne: Another question, Mr. Speaker. Would the minister keep an eye on the Russian embassy's propaganda which we receive every day in sealed envelopes? The hon. minister knows perfectly well what I mean.

(*Text*):

AIR TRANSPORT

STATEMENT ON ARRANGEMENTS FOR EMERGENCY LANDINGS IN UNITED STATES

On the orders of the day:

Hon. George C. Marler (Minister of Transport): Yesterday the hon. member for Lambton West (Mr. Murphy) asked whether the bilateral agreement between Canada and Mexico required a pilot to land in the United States should one or more of his engines fail to operate. The answer to the question is that the bilateral agreement contains no such requirement.

Mr. J. W. Murphy (Lambton West): May I address a supplementary question to the Minister of Transport with regard to the arrangements made when planes fly from Canada to a foreign country across another foreign country? In the event of motors going out of commission or other mechanical trouble, and the aircraft being required to land, are the passengers obliged to stay in the plane?

Mr. Marler: Mr. Speaker, I think that question involves the regulations of the country in which the plane would be compelled to land. I think I should tell the hon. member that practically all the western nations permit aircraft to land when they are in distress. I take it, however, that entry into that country is provided for by its own immigration laws.

BRIDGES

NUNS' ISLAND—STATEMENT ON COMMENCEMENT OF CONSTRUCTION

On the orders of the day:

Hon. George C. Marler (Minister of Transport): Yesterday the hon. member for Notre Dame de Grace (Mr. Hamilton) asked if I could inform the house when construction is expected to begin on the Nuns' island bridge in the Montreal area.

I have made inquiries of the national harbours board and it is not possible to specify the date when construction is expected to begin but the board advises that the surveys and the preparation of plans have reached a point which will permit tenders to be called this spring for the first stage of the construction of the bridge.

FINANCE

STATEMENT ON REQUIREMENT FOR CASH DEPOSITS BY STOCKBROKERS

On the orders of the day:

Mr. W. M. Benidickson (Parliamentary Assistant to the Minister of Finance): Mr. Speaker, yesterday the hon. member for Cartier (Mr. Crestohl) asked the Minister of Finance whether stockbrokers are required to maintain deposits with the superintendent of insurance, the Department of Finance or with the Bank of Canada as required in the case of banks or insurance companies.

No deposits are required by the federal government from stockbrokers or investment dealers, but a large number of these are provincially incorporated and all are subject to the various securities commissions provided by the laws of a number of the provincial governments.

PRIVILEGES AND ELECTIONS

INQUIRY RESPECTING STUDY OF REDISTRIBUTION BY COMMITTEE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask a question of the Secretary of State? Can the Secretary

of State tell us what is the present position with respect to the study of redistribution recommended by the committee on privileges and elections the year before last? Is the minister aware that redistribution by an independent commission has now been effected by the province of Manitoba? Will something be done about this matter by this parliament at this session?

Hon. Roch Pinard (Secretary of State): Mr. Speaker, the factual report which the committee asked the government to prepare was sent to me at the end of the last session. It was not tabled then because it was received in the dying days of the session. I do not think it will be the view of the government that this matter should be considered this year by the committee on privileges and elections.

Mr. Knowles: Mr. Speaker, may I direct a supplementary question to the Secretary of State? In the light of the view frequently expressed by the former member for Quebec South and others that redistribution should be studied well in advance of the decennial redistribution, why does the government not feel that something should be done about this matter at this session rather than leaving it until closer to the actual time of the next decennial redistribution?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, do you think that is a question that should be asked on the orders of the day? It seems to me we are taking a great deal of time with matters that are not urgent and that do not seem to be directly suggested for the purpose of really eliciting information.

Mr. Diefenbaker: We are not getting very much.

Mr. Knowles: Does that prevent the Secretary of State from answering my question?

Mr. Speaker: I think great latitude has been taken by hon. members who have been asking questions. There is a great tendency on the part of hon. members to initiate miniature debates on certain matters at question time, but I have always felt, especially recently, that as long as the house bears with the type of question that is being asked and ministers provide the replies it is better to leave it at that without any intervention on my part. But any hon. member who takes an honest look at the rules will see that our question period transgresses the rules as they are today and as they perhaps should be applied. If they were applied the question period would be a very short period indeed.

(*Translation*):

HOUSE OF COMMONS

INQUIRY AS TO DELAY IN TRANSLATING COMMITTEE REPORTS

On the orders of the day:

Mr. J. C. Van Horne (Restigouche-Madawaska): Mr. Speaker, I have a question for the hon. Secretary of State. Would the minister tell us if steps have been taken this year to expedite the translation into French of committee reports, so as to avoid the six to seven weeks' delay which occurred in former years?

Mr. Robichaud: You were hardly ever here; how can you know about it?

Hon. Roch Pinard (Secretary of State): Mr. Speaker, I will treat the question as a notice. I will check whether the delay of which my hon. friend complains has in fact occurred, and shall inform the house of my findings.

(*Text*):

POWER

PASSAMAQUODDY PROJECT—REQUEST FOR STATEMENT BY GOVERNMENT

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, may I direct a question to the parliamentary assistant to the Secretary of State for External Affairs. In view of the recent announcement which has been made of President Eisenhower's recommendation to congress of a large appropriation of over $1 million with respect to the Passamaquoddy project, will the government make a statement on Canada's up-to-date position with respect to this development in New Brunswick?

Mr. Lucien Cardin (Parliamentary Assistant to the Secretary of State for External Affairs): I am sure the hon. member desires to have as complete an answer to the question as possible. I shall be happy to take it as notice.

CANADA COUNCIL

PROVISION FOR ENCOURAGEMENT OF THE ARTS, HUMANITIES AND SOCIAL SCIENCES

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

That it is expedient to introduce a measure to provide for the establishment of a Canada Council for the encouragement of the arts, humanities and social sciences and further to provide *inter alia* that

(a) the Minister of Finance may, out of the consolidated revenue fund, pay to the council the sum of fifty million dollars to constitute an endowment fund for the purposes of the act, and

(b) the council shall establish a fund to be called the university capital grants fund, to which

Canada Council

shall be credited the sum of fifty million dollars, to be paid to the council by the Minister of Finance out of the consolidated revenue fund.

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

Mr. St. Laurent (Quebec East): Mr. Chairman, I believe that this resolution for the establishment of a Canada Council for the encouragement of the arts, humanities and social sciences represents not only the considered views of this government but the clearly expressed wishes and hopes of hon. members on both sides of the house and of practically all thoughtful Canadians who are really concerned about the future welfare of this country. The submissions presented to the Massey commission, the recommendation of that commission in this respect and the numerous requests received by the government over past years have clearly, I think, shown that there is widespread public support for the creation of this Canada council.

I need not remind you, Mr. Chairman, in any detail how, through the co-operation of private enterprise with the wisdom of successive governments, the economic regions and the diversified political entities whose bias at the time of Confederation often inclined towards the south rather than eastward and westward, have been brought together into one body politic and economic in which we take pride, as I think we are entitled to do. Nor need I remind you at length that the parts of this whole are so articulated together that each can move quite freely, serving and nourishing the whole nation with its own particular skills and its own particular identity. But I think all will agree that any body in any nation must, as it grows, develop its own spirit as it develops its spiritual strength.

In Canada our spiritual growth must naturally be drawn from the traditional cultures of the two peoples that mainly make up the Canadian nation and from the cultures that many other groups have brought to us. I do not want to give the impression that, in establishing a Canada Council, we are proposing the creation of some essentially strange and experimental body of a kind that has not been seen before. It is true that the council itself will be new, but the work which it is to encourage and assist has been continuing for generations, indeed, through most of Canada's history in one form or another.

I shall not attempt to emphasize the great value of the work which has been done, and is being done, by the Canadian universities in the field of the humanities and social sciences. I think the signs of this work are all around us; they are in the press, in the magazines, in the learned journals, on the radio, even on television, and I think it is true to say that many members in this house are themselves living examples of the devotion of our university teachers. Indeed, there are moments in debate, you know, when one might feel that our universities have sharpened the wits of hon. gentlemen opposite to perhaps too fine an edge!

In the field of the fine arts, and also in that of the humanities and social sciences, we in Canada have many voluntary societies whose devotion, either wholly or in part, to what will be the objectives of the Canadian council is also a matter in which we can take a special pride. I refer to organizations like the Royal Canadian Institute, l'Association Canadienne-Française pour l'avancement des sciences, the Royal Canadian Academy of the Arts, the Royal Society of Canada, the Canadian Writers' Foundation, the Canadian Social Science Research Council and the more recently formed Humanities Association of Canada. These, and many others, have made and will continue to make their valuable contribution to our spiritual development. We must also remember that much is done not only by national organizations but by provincial and local bodies which have similar objects and which stimulate and nourish this development in our smaller communities from which so many of our artists and learned scholars have come. It is from smaller societies of this kind that many of us have had our first opportunity to see, to hear and to learn of the treasures of the mind, which in later years we have come to value so highly. All these organizations, whether national, provincial or local, frequently work under conditions of extreme difficulty, even though it has been found possible for some of these national organizations to receive modest government subsidies. Many of them, however, must depend upon the relatively small contributions which, in many cases, are all their members can afford and many, for instance, lack secretarial help to pursue their aims effectively, and they do not have sufficient funds to provide this help.

There is, of course, a limit to what voluntary associations can be expected to do. The contributions made by our own universities and voluntary organizations, our artistic and scientific groups to our cultural development would have been impossible without the role played by some devoted individuals.

Culture, of course, does reside primarily in individuals. Our artists and humanists and social scientists, very often with little means

but great devotion, are entitled to the credit for the progress we have made in this field, and our gratitude also must go to the great number of young Canadians who have decided to enter into those careers without the expectation of as high monetary rewards as they could have secured in other professions, and must go also to their parents who have provided for their studies, often at the cost of great sacrifices.

Up to the present time relatively little has been done in Canada in the form of financial contributions from governments or from munificent individuals for the encouragement of the arts, the humanities and social sciences. Without minimizing the active interest of a few individuals and the assistance of private foundations, it must be recognized that up to the present time the main source of such encouragement in Canada has come from other countries. In this respect I think many of us share the view expressed in the Massey report that "we have not much right to be proud of our record as patrons of the arts".

Our scholars and our students have had to rely mainly on foreign sources for grants-in-aid and for scholarships. The Nuffield foundation in the United Kingdom; the Carnegie, the Rockefeller, the Ford, and other foundations in the United States have been of great assistance. Foreign governments, especially the British and the French, have offered quite a large number of scholarships to Canadians. These foreign donations and gifts are good in themselves and I think we all hope they will be continued in the future; but many of us feel, I am sure, that this too exclusive reliance on the generosity of others is not worthy of our real power and does not exemplify our real sense of values. Moreover, it is generally felt that more financial assistance is now urgently needed if our nation is to continue to make progress in the arts, the humanities and the social sciences.

Well, the duty of modern government to assist the arts within its borders is one which has already been recognized in many countries with older cultures than ours. I think it is worth our taking some note of this; because in countries with a longer history a national culture has had a longer time to take root and flourish, and in those countries the days when farmlands and cities had to be carved by men's hands from the forests and the wild lands are now remote, and the liberal arts have been able to develop in relative prosperity, even though that prosperity may often have been enjoyed in the past by only a fortunate few.

Perhaps I might take a moment to give a brief picture of what the government in the United Kingdom has been doing to nourish and sustain the arts in that country. A small beginning was made in 1940 with the formation of the committee—later called a council—for the encouragement of music and the arts, or C.E.M.A., as it became known. This was first financed by a modest grant of £25,000 made available by the Pilgrim Trust. Its first object was to finance the expansion of voluntary bodies devoted to fostering the arts. As its work developed and because of the immediate response it aroused in time of war, the government of the United Kingdom provided £50,000 to match private donations. In 1942 the government's board of education took over full responsibility for its financing, and in 1946, under a royal charter, it became the arts council of Great Britain, responsible to and financed by the treasury. It consists of 16 persons and is not a department of government.

We should, I think, note that in the year ended March 31, 1956, it made expenditures for the encouragement of music, drama, art, poetry and other like activities totalling over £614,000 or approximately $2 million.

Unlike the United Kingdom, the support of the arts in France is a direct concern of the government itself, and in particular of the ministry of education and Beaux-Arts. Through this ministry the government offers scholarships, sends university professors abroad to study and supports such world-famous and ancient organizations as La Comédie Française and the Paris opera. Many other older countries support the arts from public funds and I am told that the West German bundestag has a committee on cultural affairs, though I am not recommending that as an example to be followed in this parliament.

Some people may feel that we in the new world might examine with profit, in determining what course we ourselves should follow in Canada, what is done to encourage and support the arts, humanities and social sciences in our neighbour to the south. Many may point out that the United States government has not found it necessary to provide much direct support for such pursuits and yet certainly the arts flourish in the great metropolitan centres of the United States and certainly the people of that country have every reason to be proud of their learned men in the humanities and the social sciences. Moreover, there seems to be an adequate system of scholarships for those young Americans wishing to specialize in those fields. Why then, these people may well ask, should federal support be necessary here in Canada?

Well, there is, I think, an essential difference. It is a difference which arises from the tremendous wealth of the United States

and of many wealthy citizens and corporate bodies which exist there. In a number of cases where some of this wealth has concentrated in the hands of one man or one family a wise provision was made whereby the money could be used to help and to stimulate those things which the possessor of a large fortune had come to recognize to be of lasting value to American society. And so the names of men already famous have become even better known through the existence of organizations such as the Rockefeller foundation, the Carnegie trust and the Ford foundation, to name only a few. We here in Canada have ourselves benefited on occasion from the munificence of these organizations, but I think the time has come for us to depend in future somewhat more upon ourselves.

Such benevolent organizations as we do have in Canada which can assist and do assist the arts, humanities and social sciences do not seem to dispose of funds on a sufficiently large scale to provide the level of assistance that is needed if Canada is to maintain its place with other nations in these matters. I think all will agree that that is important not only for the individual enjoyment of life but for the cohesion between these people which can be stimulated and brought about by the appreciation and enjoyment of that which is done in each one of these countries. I am sure that many will agree that the time has come when we must try to hold our own in cultural affairs. It would be one of the objectives of the council to arrange for the representation of Canadian arts, humanities and social sciences in other countries and I think that is required if we wish to continue to benefit from what is provided elsewhere.

Here again we may perhaps examine briefly what is done by other nations to ensure that their arts are widely represented and understood abroad.

In the United Kingdom there exists the British council founded in 1934 and granted a royal charter in 1940 to develop closer cultural relations with other countries and to promote a wider knowledge abroad of British life, thought and artistic and scientific achievements. This organization is financed almost entirely from public funds, and in the year 1955-56 its expenditures were over £2,800,000 or approximately $8 million. In France the projection of French culture abroad is carried out by a section of the ministry of foreign affairs and has been so accomplished for very many years. I understand this section has officers abroad in 62 different countries and that its work has been going on since even before the revolution of 1789.

After these few brief indications of how the need for what is envisaged for Canada in this resolution is recognized as existing elsewhere, I think I should turn to what our particular requirements in Canada may be. We cannot, I think, do better for this purpose than look to the report of the royal commission on national development in the arts, letters and sciences. It was one of the purposes of this commission to discover and report on what these needs might be. In those parts of its recommendations concerned with the creation and functions of the Canada council the report speaks of the "parallel obligations" which it suggests the government should assume in fostering the arts, humanities and social sciences. By "parallel" it means obligations similar to those which the government and parliament has undertaken to assist study and research in the physical and natural sciences, both pure science and applied science, in medicine and in engineering. These obligations to the Canadian people are already carried out in large part by the national research council. The report expresses the view that assistance should be given to students of the humanities and recommends specifically that the Canada council should be given funds for the establishment and maintenance of scholarships for post graduate students of Canadian universities in the humanities, social sciences and even law. Comparative law, you know, is of great value not only in the settlement of disputes between individuals, but I think it is also of great value in bringing about the goal of the recognition of the international law that should be followed by civilized nations.

The commission also recommends the provision of funds for mature and advanced work in these fields. Indeed, I believe that this is one of the greatest needs in our country which the Canada council will be asked to meet. No one who is familiar with the problems of these disciplines within our universities can fail to recognize the requirement for encouragement and assistance through a system of scholarships for the young men and women who will be the future historians, philosophers and economists of Canada, and I believe that no one who has given thought to these problems would wish otherwise than that such a system of scholarships should be administered where possible through existing organizations and by a council of distinguished men and women made as free as possible of government interference by an endowment which it will be their responsibility to administer wisely and for the general good. I shall have something more to say about the financing of the council in a moment.

It is also equally important to my mind, Mr. Chairman, that some form of assistance and encouragement should be given to the creative artists in Canada. As the report of the royal commission points out, many of them are not students in the ordinary sense of the word and often are not enrolled in our universities. Nevertheless they can make and they do make a valuable and enduring contribution to Canada and I think they deserve to be encouraged. I need hardly remind hon. members that our lives would be much poorer were it not for our musicians who bring us the enjoyment of our great orchestras and choral societies. I think that many of us would feel that something would be lost from the Christmas season if we were to lose the annual performance by the Toronto symphony orchestra and the Mendelssohn choir of Handel's Messiah, and our Canadian homes would not be so pleasant to live in if the walls were not brightened by the works of Canadian painters, although many of us cannot afford them in any other form than in reproductions; and life would be less pleasant and less civilized in this country were it not for the presence of theatre houses such as Le Théâtre du Nouveau-Monde, and perhaps—especially in recent years—for the successes of the courageous venture at Stratford, Ontario which has given the name of Shakespeare's birthplace a new and a Canadian significance.

Many of the actors who appear in these companies, and who delight us regularly, although perhaps not uniformly, on the radio and television, first learned their craft through the opportunity provided by the dominion drama festival and by the little theatre movement throughout Canada.

It is obvious that much has already been done. I think it is clear that we do have talented artists and I think it is time that more scope and more opportunity should be afforded to them. Many people perhaps are not aware of the great difficulties under which some of these ventures labour, or are not aware of the time and devotion given by the voluntary organizations which support them. Probably a little assistance to such organizations might go a long way. Not only will some financial help assist in removing some of the nagging deficits under which such organizations work, but it will also be I think heart-warming to them when they see that their achievements are recognized and appreciated.

It will, therefore, be for the Canada council to meet as best it can, on a national scale, the most pressing needs of such organizations and also to make awards to our outstanding artists and young people of real promise to enable them better to pursue those arts which give so much stimulating enjoyment and which do in a real sense enrich our lives. All scholars, like all artists, flourish by an interchange of ideas among themselves within Canada. However, we must recognize that ideas are international and that the arts are not bounded by the confines of any one country. This was, I think, clearly indicated in the report of the Massey royal commission when it recommended scholarships to enable Canadians to study in other countries and suggested that there should be an exchange which would bring students from other countries to work in Canada.

I consider that it is of great importance in the world in which we live that our better students should have an opportunity while studying to observe the life and manners of the people of other nations. It seems to me it is equally important that we should bring students from other countries to see how we in Canada live, and to sit at the feet of some of our learned men. All that will help us to realize, when we are forming our opinions about the attitudes and conduct of other people, that there are different backgrounds against which they must be appraised and judged, and that the attitude which would be proper with a United States or Canadian background may not necessarily be the proper attitude for one whose traditional civilization is older, different and I think quite respectable.

Through the Canadian government overseas awards, substantial sums in blocked currency have been expended to date to send Canadians to study abroad. I believe that perhaps this scheme might well be extended and include a provision to bring foreign students and artists to Canada. It is from these young people that many of the future leaders in many walks of life will come. Therefore, I believe that the knowledge and understanding which these exchanges would bring about might be a significant force for peace in our own society.

There is also a need for our artists to perform in foreign countries and for their creative works to be seen, heard and enjoyed outside of Canada. These people and their works would indeed in a sense be ambassadors of a part of Canadian life which I think it would be helpful to have more fully represented in other countries. After all, we are essentially of the same make-up and our objectives, our aspirations, are much the same in whatever country we live. I think the more we can be made to realize the importance of intellectual brotherhood the more apt we are to conclude that conflicts between nations are really unnecessary.

Canada Council

These I consider to be the most immediate needs which Canada has for the encouragement of her arts, humanities and social sciences. We have, therefore, to consider how these requirements can be best fulfilled. I believe that hon. members will agree that a federal department of the fine arts, or some such governmental authority, is not the best answer to the problem. Nothing, I think, could be more detrimental to our real purpose if we were to limit or hamper the work of organizations already in existence by superimposing some central authority which could not have the experience and the knowledge in a particular field which existing societies already possess.

I do not believe that the liberal arts can or should be controlled or directed by the state if they are to remain healthy and continue to flourish. The scholar and the artist, like the scientist, require the wide horizon of freedom as the only border within which they can do their best work. The organizations and the individuals do need some assistance and encouragement in the tasks already in hand. It is this encouragement to perform the tasks already in hand which it should be our purpose to provide, but without any undue interference.

There is another urgent need which will partially be met by the adoption of this resolution and by the creation of the Canada council. That has to do with the capital requirements of our universities. The Gordon report states that universities will require substantial capital grants, if they are to take care of the very large increase in the anticipated enrolment. It is estimated that capital expenditure of about $1 billion will be required for these purposes over the period of the next 25 years. This means that universities will have to spend about $40 million per annum on the average to provide for capital expansion. And at a national conference on "Canada's Crisis in Higher Education" held in Ottawa last November the representatives of the universities of Canada expressed through a resolution adopted unanimously:

> Their considered opinion that it was their urgent duty to warn the people of Canada that the problem of universities has become an emergency of national concern to the certain disadvantage of our progress and standing as a nation, and can only be solved by the energetic and immediate assistance and co-operation of all governments in Canada, of business and industry and of private benefactors.

It seems to me that the Canadian government and the Canadian parliament should not ignore such a serious warning and should be prepared to make a contribution, which can be made through the Canada council to meet this emergency.

[Mr. St. Laurent (Quebec East).]

Our main object in recommending the establishment of the Canada council is to provide some assistance to universities, to the arts, humanities and social sciences as well as to students in those fields without attempting in any way to control their activities or to tamper with their freedom. Governments should, I feel, support the cultural development of the nation but not attempt to control it. This sector of our national life perhaps more than any other must rely on the efficiency of private initiative.

It is our intention that this council should be composed of distinguished men and women who will represent the cultures and regions of Canada—men and women whose interest in and devotion to the universities, the arts and social sciences will induce them to serve on a voluntary basis. Thus we hope that their views and the measures which they will recommend will be as freely given as will be their services. Our wish is that the Canada council should be a body as free from state control as it is prudent for anybody entrusted with public funds to be. It is not to the government that this council is to look for control and direction, though of course it will be free to consult when occasion may arise, with appropriate government departments with which it may, in certain fields, wish to establish a measure of co-operation.

But it is under what I think will be the discerning eye of those people throughout this country who interest themselves in these matters that the council will in effect conduct its work. Hence it will report annually to the representatives of those people in this house where there will be, I am sure, a continuing and freely expressed interest in its stewardship.

I trust that our intention that the council shall be largely independent and shall have a wide measure of autonomy will be made clear by the methods which are proposed for financing its work. It is, in effect, to be endowed with freedom to carry on its work in the light of its own wisdom and with the advice of existing organizations whose co-operation it may wish to enlist as, in its turn, it may help them.

It is with this in mind that we ask for an endowment fund of $50 million to be provided from the consolidated revenue fund. From this sum the council will be permitted to use income after investment, but not the capital. The income only will be available for disbursement. The income will nevertheless be quite substantial and will be continually devoted to the continuance of scholarships, grants, loans and awards in the fields of the arts, humanities and social

sciences. The bill will provide that the council shall be assisted by an investment committee; it will not be confined in its investments to the trustee restrictions which exist in Canadian legislation. It will be the council's duty, with the assistance of this investment committee, to make the wisest possible investment of this endowment in order to secure from it as much income as they and the investment committee think can be secured with safety from the capital.

I anticipate that a large part of these income funds will be administered through existing organizations which have objects similar to those of the council itself. However this may be, the council itself will be solely responsible to parliament for utilizing the funds at its disposal in such a way that the maximum benefit to the country as a whole will result.

We shall also be asking parliament to provide from the consolidated revenue fund a further sum of $50 million to be known as "The University Capital Grants Fund" to be distributed by the council as a contribution toward the financing of specific building projects of which it may approve in the furthering of its general objectives to the extent of not more than 50 per cent in any one case, the contributions to be expended over a period of years—not necessarily in equal instalments of an equal fraction each year but by apportionment generally, to the institutions of the various provinces in proportion to their population. That would not mean that the institutions of one province could not get in one, two or three years, the portion of the fund that would be allocated to them because of the population of their province while others might not for one, two, three or four years be prepared to match or to ask that their institutions' funds be matched from this fund.

Although these two financial provisions will help to meet our most immediate needs, they will not meet, and are not intended to meet, all our requirements. The federal government does not feel that it should be the sole patron of the arts, the humanities and the social sciences or the only source of capital for the universities. Provincial governments have clear and important responsibilities in those fields and I am sure they will want to assume an increasing share of the financial assistance which is required. I also feel that private industry and private persons of means will feel that they have definite financial responsibilities in this respect in compensation for the advantages which will have accrued to them from the Canadian economy. There is evidence that they are already more aware than ever before of this moral obligation to their fellow citizens and that they also realize more concretely that in the long run, at least, their own prosperity, or the prosperity of the organizations they have set up, will depend to a large extent on the expansion of our universities and on our cultural progress.

However, it has not been easy up to now for them to know how, to whom and for what specific purpose assistance could best be provided. There was no proper channel to ensure that donations would be utilized most effectively and it would have been both costly and very wasteful for each industry or private benefactor willing to provide assistance to set up in each case a special foundation for that purpose.

In establishing the council as an autonomous body, our intention is also to fill that gap and to provide an adequate channel which will have, I hope, the complete confidence of private industry and private benefactors and which they will feel they can use to administer and distribute the assistance they want to make available. We are proposing, therefore, that the council be authorized to accept gifts and bequests from private sources and to dispose of them according to the terms, if any, determined by the donors.

With this provision we are convinced that the contribution made by the government through the Canada council to foster our cultural development will not prevent private contributions but, on the contrary, will provide a new opportunity for private benefactors to make donations and to feel that their money will be well spent for worthwhile purposes. It will be our endeavour to compose the council of such persons as will give that confidence to the Canadian public generally, and I can assure the house that there will be no considerations of partisan politics that will influence us in the choice of those who will make up the council. I trust that private individuals will find it in their hearts to assist in the requirements to be met by the council because, although it may seem that these are large appropriations to be made out of the consolidated revenue fund, I feel and I am sure many in the house will feel that much more than the revenue from $50 million could, with advantage, be used for the purposes for which the council will be set up. I also feel that the availability of $50 million to match other contributions to the capital expansion of Canadian universities will leave it necessary that very much more be obtained from other sources, either provincial and municipal governmental bodies or individuals or private organizations.

It has been reported that the nazi leader, Hermann Goering, said many years ago that

whenever he heard the word "culture" he reached for his pistol. This statement may have been fairly representative of a condition of human society against which we fought and won a long and costly war. Now that war is over. But I think we must recognize that our western civilizations, upon which we base all our hopes for the future, are founded to a large extent upon the arts, humanities and social sciences as well as upon material progress and development and that these civilizations may be in some jeopardy from an ideology that threatens to destroy them.

I have used the word "culture", perhaps not for the first time in what I have had to say. It is a word which has been subject to a great deal of misunderstanding and, indeed, to misinterpretation. Since it is a word that has become linked to the name of the Canada council, perhaps I might be permitted to say what I believe it means when used in that sense. I believe that in that sense culture is simply an ability to enjoy those things which succeeding generations of thoughtful men have agreed provide the most profound and lasting pleasures of the mind.

In the past men and institutions of great wealth and power have provided means by which these pleasures could be created so that they might enjoy them. They were men who recognized things of great and abiding value. They were men who, incidentally, also knew the value of gold coins.

In the past these pleasures were often reserved to the fortunate few who could afford them. In a modern society men of such wealth and power have almost disappeared, and it must be recognized that it is more difficult to amass great fortunes than it was when there was no conception of income taxes, excess profits taxes and things of that kind. But at the same time we recognize that the wealth of the mind expressed in the arts, humanities and social sciences is not a private prerogative but may rightfully belong to all people who wish to seek for it. Therefore it seems to me that governments have a duty to assume some responsibility of providing not control and direction of the arts but leadership in making available the assistance which is so greatly needed. I trust that parliament is prepared to have that duty assumed by the national government and will feel, as we do, that it can best be discharged through an organism such as that which will be provided in the bill which, if this house sees fit, will follow the adoption of the resolution.

Mr. Low: Before the Leader of the Opposition speaks, I wonder whether I could ask the Prime Minister one question. I was very much interested in his statement but he did not make clear to us exactly what he meant when he used the term "humanities". I think it would be useful to us in the debate if we knew exactly what he has reference to when he uses the term "humanities".

Mr. St. Laurent (Quebec East): What I refer to is the study and, I hope as a result of the study, the acquired knowledge of the treasures that have been provided by the experience, studies and philosophies of past generations. When I say "past generations" I mean the generations that have succeeded each other for many thousands of years in the world. I mean that general knowledge of proper human behaviour that results from the accumulated experience of mankind since history has commenced to be written and not those special things that prepare for the exercise of a special avocation or profession. I mean the general broadening and training of the human mind so that the human individual whose mind it is may have as great benefit as one can derive from the accumulation of lore and knowledge over the centuries.

Mr. Diefenbaker: Mr. Chairman, before dealing with the remarks of the Prime Minister I feel it only proper that I should register a very strong objection to what took place yesterday afternoon when all of us were anticipating that the debate in reply to the speech from the throne would be continued and the question whether or not the government enjoyed the confidence of the house would be determined. The present debate was brought on without any knowledge being given in advance. While the government has a perfect right to do that, if it so chooses, I think it is far from being in keeping with that relationship which must prevail as between the government and the opposition if each of us has as his purpose the effective and orderly debate of issues properly arranged for in advance.

Having said that, may I express the hope that similar tactics will not be followed in the future. After all, tactics like those deny that spirit of co-operation which I for one wish to be representative of my responsibility in the opposition toward public questions that come before this house.

Having said that, Mr. Speaker, may I say that I think all of us will be in general agreement with the philosophical and learned discussion with which the Prime Minister has introduced this necessary phase in our development, namely the creation of a Canada council for the encouragement of the arts, humanities and social sciences.

As he concluded I could not but be in full agreement with him when he spoke of the meaning of the social sciences, the humanities and the need for their expansion, their development and encouragement if mankind is to achieve that life which consists of the better things of the past, the accumulated wisdom of the ages and which also, having full regard for the need for technological advance, believes that there is something more to life and to man than that which can be found in a test tube. In other words, the objective which this measure has in mind is one that will receive general encouragement. It is predicated on the fact that life is more than push-button and scientific. It does not disavow the need for scientific advance; it emphasizes that need if we are to take our place in the world competition we face today as communism directs the mind of its youth to scientific knowledge to the end that it may be used only for the destruction of freedom not only within their own country but elsewhere in the world.

The Prime Minister mentioned the effect of education and the need for education. But one must never lose sight of the fact that if education becomes state-controlled and directed and if the objective becomes primarily the state, the brotherhood of man and the achievement of peace become obliterated and man becomes simply a person whose purpose in life is to carry out the dictates of the state and to emphasize the needs of the state.

I remember so well hearing H. G. Wells in 1920, following the first war, say that the only hope for mankind is education. In the intervening years we found that Germany, with a remarkable system of education, did not build for peace. Rather we found that, because of the state, education became a simple instrument of the state for the purposes and aims of the state. This fact becomes of particular interest to us here in Canada when we recall that in the wisdom of those who brought together this confederation, education was placed exclusively under the jurisdiction of the provinces. One sometimes wonders whether or not the fathers of confederation were able to look forward into the days ahead and, with prescience and the power of prophecy that is denied to most of us, could see the day when in parts of Europe and also in parts of Asia education would become exclusively in the power and control of those who are in charge of the state where it becomes in fact not an instrument of peace but a means of destruction.

As the Prime Minister philosophically dealt with the question of education in general and emphasized the need for the humanities receiving fair and reasonable consideration, I could not but think that we in other provinces might learn something from the universities in the province of Quebec which, throughout the years, have given to the humanities that emphasis which has had its effect in the enrichment of the minds of those who have attended those universities and which has provided education for a life rather than primarily for a living.

Having mentioned those generalities, I now come to a discussion of the setting up of this council, the purpose of which is to enrich Canada by providing and assuring the continuance of the nourishing influences of intellectual and artistic development, the development of the mind, the preservation of the great things of the past. All of these things were referred to in the report of the Massey commission. I am not going to tire the committee by long quotations but I have some questions arising out of the recommendations made by that commission and which are now being departed from in the resolution before this committee. I intend to ask certain questions as to why these changes were made and what the purpose was for the alteration in the general scheme enunciated by that commission.

The council will have the distribution of $50 million among the universities for the expansion of buildings and the purchase of equipment over the next ten years; and this amount will be additional to the $16 million to be granted to the universities through the national conference of Canadian universities. It is also to be provided with an endowment of $50 million, the income from which will be earmarked for the support of the arts and humanities. No one can possibly argue that there is not a need for action; it is long overdue. Everywhere in this country our universities find themselves denatured—almost emasculated—by the lack of funds with which to carry on the expansion which is necessary today and which will become more necessary as the years go by.

We find the same problem in secondary education and also in primary education. The multiplication of educational responsibility affects the municipality as well as the province. We see the continued increase in the numbers of potential secondary students, and that increase in turn will increase the number of those who will enter universities, however much their restrictive practices might deny all who desire to enter university the opportunity of doing so. This brings into relief the whole problem of our national

financing, and the fact that today the provinces and the municipalities are denied their fair share of the national taxation dollar.

What is envisaged here will simply postpone the day. The whole question of dominion-provincial relations will have to be faced; for the provinces and the municipalities more and more find themselves hampered and hamstrung by the failure of this government to face this major problem.

However estimable the purpose is, and however proper is the need in view, we simply postpone again facing the problem that must be faced in this country, a problem that cannot be faced by bits and pieces, but which must be faced at an early date.

I mentioned the need of Canadian universities. The need is becoming greater as the days go by. A survey was recently made to ascertain the degree to which universities in other parts of the world are dependent on grants from the state. In Great Britain 73.6 per cent of college income is from government grants. In the United States it is 58.6 per cent, and in Canada it is 42 per cent. More and more young and worthy students are being denied admission to university because they are unable to meet the ever-rising costs of tuition. In Canadian universities, of the total income today, or until the recent increase announced by the Prime Minister in November, 30 per cent comes from student fees. In the United Kingdom it is 10.7 per cent and in the United States it is 21.4 per cent. Unless action is taken to meet that situation it cannot but result in many outstanding and potential leaders in the sciences, in the arts, and in all the different phases of living, being denied an education; for more and more tuition rates are being raised and worthy students are finding greater and greater difficulty in proceeding to senior education.

That brings out one other phase, namely, the question of providing scholarships. In British universities and colleges 72 per cent of the students registered receive financial assistance from scholarships or bursaries. The income from the $50 million endowment, if invested at 3½ per cent, will amount to only $1,750,000, a small amount when compared with the need of providing financial assistance through scholarships and bursaries. In Canada today only 14 per cent of the students receive that assistance.

Then, too, as far as the universities are concerned there is the tremendous magnetic influence of scientific organizations and of business on the staffs of universities. University professors in general are notoriously underpaid in comparison with other professions. There is a shortage of university teachers. According to the estimate made at the recent national conference on manpower held at St. Andrews, New Brunswick, there is a shortage of some 3,700 teachers at the present time. There is a need for the expansion of facilities, buildings and the like, in universities. Will this need be met by the amount set up here as an endowment fund? I ask that and point out, as the Prime Minister did, that the Gordon commission estimated that in the next 25 years Canadian universities would have to spend over $1 billion in the provision of new facilities and the like. All these facts compel us to ask ourselves whether some action should be taken.

Should there be a Canada council? Well, I think, generally speaking—and I know of no serious opposition to it—people as a whole are very much in favour of a Canada council. Indeed, the question has been asked on numerous occasions since 1951, why has the government delayed so long in the setting up of this council? Some of us have come to the conclusion that this council was in much the same position as the Canada medal. When questions were asked as to when it would be set up, invariably the answer was that there were difficulties in the way. One naturally asks this question, when were those difficulties resolved? What has taken place recently that has changed the government's diffidence and delay since 1951?

The recommendation made was this, and I shall quote only a part of it:

> That a body be created to be known as the Canada Council for the encouragement of the arts, letters, humanities and social sciences to stimulate and to help voluntary organizations within these fields, to foster Canada's cultural relations abroad, to perform the functions of a national commission for UNESCO, and to devise and administer a system of scholarships as recommended in chapter XXII.

However, there is also a further portion of this section on page 377 of the report which deserves to be brought to the attention of the Prime Minister and the government and it is this:

> We should also consider it a misfortune if this Canada Council became in any sense a department of government, but we realize that since this body will be spending public money it must be in an effective manner responsible to the government and hence to parliament.

I ask these questions at this time because the bill is not before us. This gives us an opportunity to ask questions and to ascertain the general plan the government has in mind. I also point out that there is no suggestion anywhere in this report that the method should be the setting up of an endowment fund consisting of a bulk sum. The sum of $50 million will be taken and placed in a fund this year. Was that method chosen because of the fact that the government this

year has a surplus which is embarrassing and has provided this means of taking away a portion of it? Why was not the recommendation of the Massey commission followed? This commission brought forth a report that met with universal acceptance. At page 382 the following recommendation is made with regard to financing:

> The development of the council's work would naturally depend upon the extent to which it would be able to satisfy with wisdom and moderation a real public need, and, if successful in this, we do not doubt that there would be public support of parliamentary action in making adequate funds available to it. We do not find it possible to propose specific sums; we should, however, imagine that the council would find it possible to perform its varied duties effectively with an annual budget which would constitute a very slight charge upon all members of the Canadian population. We venture to believe that our fellow-citizens would find this investment modest in relation to the returns which, we are confident, they could reasonably expect.

Why were these changes made? Having regard to the fact that this endowment will provide only approximately $1,375,000 for the purpose of expanding the facilities of universities and for the provision of scholarships and the like, and especially in view of the estimate of the Gordon commission that in turn reinforced the earlier representations made by the university committee as to the tremendous future demands if our higher educational system is to be preserved to a degree commensurate with Canada's national and international responsibility, why was the recommendation made by the Massey commission departed from?

In committee it is not the object, as I see it, to have hon. members make lengthy speeches. We are here for the purpose of securing information. Then, having before us the bill in question, we are able to deal with it in particular, section by section, and examine into its purposes on the basis of the information we have obtained. As far as the setting up of the council and its objectives are concerned, this represents something that has been generally asked for and I think the Prime Minister owes it to the committee and to the country to outline the reasons which brought about these changes which while not representing a change in direction are of more significance than meets the eye.

The Prime Minister also dealt with the personnel of this body and said it would be free of any partisan consideration. What the Prime Minister envisages is both laudable and necessary, but I would ask him whether or not there is any foundation for what is generally believed to be the course which the government has in mind, that the chairman of this committee will be one who was connected with this government over the years. However estimable that gentleman is, and may I say I have a high regard for him, his appointment would not result in a complete divorcement from any suggestion of the possibility of government influence. I say that the chairman of this body should be one who in no way possible will be subject to any suggestion that in the slightest degree the council might be subject to outside influences. Following any other course would, in my opinion, strike a blow at the validity and prestige of this council even before it became operative.

The Prime Minister also spoke in strong support of the need of private individuals and organizations to make their contributions to the endowment fund to be administered by this council. He referred to various foundations in the United States such as the Carnegie trust, the Rockefeller foundation, the Ford foundation and the Mellon foundation. These foundations were set up in those halcyon days, which the Prime Minister himself has not forgotten, because he spoke of that time when income tax and corporation taxes and the like were non-existent. There are many today who have amassed wealth who might be inclined to do their part in contributing to this endowment if encouragement was given to them. I think it is a most desirable end that funds be made available but I am thinking now of this one particular phase of the use of those funds to provide scholarships. I would ask the Prime Minister if in order to encourage and ensure an increasing flow of private bequests consideration has been given to the deductibility to a large extent of amounts so contributed in determining the net valuation of estates for succession duty purposes. If we want to encourage contributions of such funds to ensure that sufficient money will be available, then I ask the Prime Minister to consider if the government does not have a responsibility to make possible by way of encouraging legislation the deduction of bequests to this endowment fund. These are but one or two of the questions which I have to ask. Later on when these questions have been answered we will be in a position to discuss various other phases of this resolution.

Again I say that the objective in the setting up of the council must receive the support of all. However, we want to know why there was such a manifest departure from the general plan which is set out in detail by the Massey commission after sitting for a very considerable length of time and being representative of outstanding Canadians. We want to know why the recommendations have been disallowed and why it has seemed expedient not to include them in the general purview of the resolution.

Canada Council

Mr. St. Laurent (Quebec East): May I say a word or two about the questions which the hon. gentleman has raised. The last question I understand had to do with the character of the council in respect of the deductibility for income tax purposes and for succession duty purposes. I think that that is amply provided for in the terms of the bill in the form in which it will be introduced after the resolution has been discussed.

As to the suggestion that there is a fundamental change in the recommendations of the Massey commission, I do not consider that there is any change at all. I think perhaps we are going somewhat further than they ventured to recommend. We felt that it would be very desirable that the council be able to plan for a number of years. In establishing scholarships for instance you cannot rely merely on the income of one year. In establishing a scholarship you create a situation which has continuing responsibilities. We felt that it would be very desirable to have the council in a position where it would have a certain income upon which it could count year after year. The accounts are to be subject to audit by the Auditor General, and there is required to be submitted to parliament each year a full report of the activities of the council.

Mr. Fleming: May I ask the Prime Minister if the bill spells out precisely the formula which is to guide the Canada council in the distribution of the proceeds of the second $50 million endowment fund among the universities for construction purposes?

Mr. St. Laurent (Quebec East): The terms are not determined in full detail, but it is provided that the contribution on the part of the council will not be more than 50 per cent of the cost of the building or the equipment being provided, and it will be for the kind of buildings required to carry out the objectives for which the council is established. If buildings are required for other purposes in the university they should be provided for otherwise than through the Canada council, the objective of which is to foster these developments of studies in the humanities, social sciences and arts. For instance, if an engineering faculty were required in a university it would be expected that those who are dependent upon the sufficiency and numbers and proper training of engineers would themselves do, as I understand they have done quite recently for a faculty of engineering of the University of Ottawa, pledge themselves to substantial contributions to that end.

The council would not under the terms of the bill make contributions out of this fund to other capital expansion than that required to further the general objects for which the council is established. It would be provided that the total would be allocated in proportion to the respective population of the provinces and would be available for disbursement during a period of years. That would not mean that each year each province would have to receive its part of its total proportion because, as I said, it may very well be that in one province the institutions of that province would in two or three years receive the whole of what they might be entitled to receive for the full period, while in others it might be two or three or five years before they would take any portion of the fund which would be attributable to them in relation to their population.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Chairman, this is an occasion when I can rise in my place on behalf of all those associated with me—and this is also my personal view—to give a hearty welcome to this resolution. My only criticism with regard to the introduction of the resolution at this time is that it should have come a couple of years earlier. We have been most anxious to see the Canada Council established because we believe it is high time that these proposals—which will be elaborated when the bill is under discussion, and with regard to which we shall be glad to ask questions—should come before us and give Canada the impetus which is necessary in order to bring to our country a better system of higher education, at least. I would like to say immediately that federal aid is not needed only for the universities of our country; the burden of education in our high schools and secondary schools as well as in the primary schools is becoming one which the provinces, and local municipalities and the local school boards cannot bear without more assistance.

However, this is a step in the right direction. In the times in which we live it is essential that we should be producing in our country groups of young men and women who can promote the scientific advancement of our land and who can contribute to building a better cultural atmosphere in the nation in which we live.

We are a pioneer country, and possibly because of that we have not yet achieved those cultural amenities which one finds widespread in the older-established nations. A few nights

ago I was watching television, and while I am not a television enthusiast—perhaps I am old fashioned in that respect; I still prefer the spoken word and the music I hear on the radio—I was nevertheless struck very forcibly by one of the C.B.C. programs recording the opening of the opera house in Austria. The opera was one that was written at the time of the Napoleonic wars when the Austrian people were struggling against tyranny and oppression, and it was undoubtedly meant to bring before the people of Austria once again the fact that in recent times there was also a struggle against tyranny and oppression.

But that is not, wholly, what struck my attention. It was the fact that here we had a small country, just emerging into freedom after being occupied by warring powers, which was endeavouring at the outset to re-establish those cultural activities for which that little country—for such it is, today—has long been famous: music, opera, drama. I compared that with the attitude in our own country where, up to the present time, we have not as a nation set aside sufficient from our productive achievements to build up in our midst a cultural life deserving of the country in which we live.

In making that criticism, however, I do remember how much the Broadcasting Corporation, for example, since it was established nearly 30 years ago through the old broadcasting commission, has done to improve the taste and the education of our people.

When I was in Europe this year I noticed that in the major cities of France, of Germany and of Switzerland, and even in small countries such as Norway, one found either municipal theatres or a national theatre. Even in Oslo one found a fine national theatre, and this in a country whose population is only equal to the population of the province of Ontario.

I am very happy indeed to see this Canada Council established and this is one of my reasons for being so—because I believe it will contribute to the building up in our country of these amenities which will help to fill the leisure periods of the Canadian people in the future and contribute to our social and cultural development.

I have often been impressed by the fact that the older countries have inherited a very rich legacy of paintings, music, drama, poetry and literature from bygone days. What we are going to do as a nation today was indeed once done by the patrons who took under their wings the great writers, artists, poets and musicians of the past. When the Prime Minister referred this morning to that very lovely piece of music, Handel's *Messiah*, I remembered, of course, that Handel could not have written his beautiful works—*The Creation* and the other oratorios—had he not been under the patronage of the king in his generation. Nor am I forgetting that our rich legacy of literature, which has come down to us from the time of the first Queen Elizabeth, was largely developed by reason of the fact that each one of the writers and artists of those days was under the protection of a patron who maintained him and enabled him to make his contribution to the literature, music or other arts of the time. The ancient church itself promoted art and, in bygone days, even the sciences to some extent.

That pattern disappeared with the coming of the industrial revolution when our leaders turned their thoughts to economic development and material matters rather than to the building up of cultural activities and the expansion of the cultural heritage, but we find that in recent times almost every country has taken some steps to re-establish this tradition, though on somewhat different lines. England, in particular, has done a great deal in this respect, and we were told this morning what the people of the United Kingdom have done in the last ten or 15 years. At the end of the thirties a small grant of £25,000 was made to assist in the development of music and the arts in the United Kingdom. That has gradually grown to a large sum until today you find the subsidization of a theatre like the Old Vic or a ballet company like Sadlers Wells ballet and the Sadlers Wells theatre and so on.

May I say again by way of tribute to the C.B.C. and its television activities that I do not think I have enjoyed anything as much for a long, long time as I did an evening about three weeks ago when I sat and watched enthralled the beautiful dancing of the Canadian dancers in Swan Lake. It was indeed a delight and I hope that we may see that kind of program repeated on television over and over again. I should like to say the same thing about the Stratford enterprise. I have not had the opportunity of going to Stratford. However, the night before last I saw one of the dramas that had been done at Stratford and while it perhaps was not a drama that would appeal to a very wide group of Canadians nonetheless it was beautifully staged and beautifully acted.

I say to the Prime Minister and the government that I hope that as time passes the parliament of Canada will give assistance to projects of these descriptions so that we may build up within our country the drama, the music and, indeed, the art. I am not one of those who criticize the national gallery for

acquiring for the people of Canada some of the beautiful pictures that were painted by the masters of the past. I think that those appropriations are well worth while. After all, we can spend hundreds of millions of dollars in the building of armaments which are obsolete in some instances even before they come off the assembly line, but when we acquire a beautiful picture, when we build up a beautiful ballet company, when we build up drama, when we encourage literature, we are doing something that is not of passing interest but will remain in the hearts and minds of our people not only in this generation but for generations to come.

Through the Stratford theatre, through the musical organizations in Montreal, Winnipeg and Vancouver, through the various dramatic productions of the C.B.C. and many drama leagues, we have unearthed in this country over the past few years talent that we did not know existed until very recently. That, I say, is a major gain for Canada, a gain not to be expressed in dollars and cents but a gain in our cultural level that will pay rich dividends in the days to come. I wanted to say these things at the outset of my remarks this afternoon.

We are very pleased indeed that the government has set up this council and that it is appropriating substantial sums for the development of our universities. I agree that today the building of our universities is essential to the future well-being of Canada. We are a country with tremendous resources that will eventually be developed, and with the coming of new skills, with the coming of automation, it is more than ever necessary that we shall have a group of young men and young women well educated and well trained in order that they may give of their best to the development of these great resources under the new plans and with the new machines and so on that are going to be at the disposal of the nation within a very short time indeed.

What we invest today in our schools, in our colleges, in our universities, is an investment in the future. I have been rather disturbed at times—I understand that the reason of course is shortage of funds—to see reports in the newspapers of some of our new schools being deprived of some of the facilities that modern schools require. I am thinking of auditoria where students may assemble, where they may enjoy good music, where they may participate in dramatics and so on. I say I know the reason why these facilities have been curtailed or eliminated in the plans for many of our new schools but I think it is a mistake because these institutions are being built not for today or tomorrow but for a long time to come.

When I was overseas and had the opportunity to visit some of our NATO installations in Europe I was pleased indeed to see the schools that were being built there for the very large number of Canadian children who are temporary exiles from our country. I did not know, of course, that there were such large numbers of them until I saw them. We have something like 13,000 troops overseas matched by something like 13,000 women and children. Those children are entitled to the very best that we can give them so that they can come back and enter into our schools, our colleges and our life later on. I was pleased to see that there were either assembly auditoria in these schools or if they were not in the schools then adjacent to them there would be a gymnasium or a cinema where the children overseas can assemble and participate in the kind of activities that I believe are a part of a modern education for the children of our land.

We need more facilities. We need more university facilities. When I visit some of the universities of the country and see the temporary buildings that are being used today I realize that they must be replaced with buildings which will be functional and which will afford our young men and women the opportunities that they need. Not only do we need the buildings but we need to give opportunities for our young men and women to benefit from these institutions. As has already been said today, with the increased university fees many of our younger men and women who have the ability are being denied the right that they should have to a full education because they or their parents cannot afford to meet the costs of university education.

The Leader of the Opposition gave some figures today as to the number of young people in Britain who are being educated in the colleges and universities largely at public expense through bursaries and scholarships. I believe that the number is something over 70 per cent. I think he said 72 per cent. I thought it was about 75 per cent. But I was told over and over again when I was in the United Kingdom both last year and two years ago that today no boy or girl of ability can be denied the education which his or her ability demands because of economic circumstances, that through the system of bursaries and scholarships young men and young women coming from the most humble of homes economically can proceed to a university education. That is as it should be.

We have been told that in some fields of modern education we are being outstripped by Russia and her satellites. I do not know

what kind of educational institutions they have. I know, of course, that a good deal of the time is spent in indoctrination of the students in those institutions. But nonetheless we are told, by people who should know, that an extremely high level of scientific education is given to the students in the Soviet union. In the forthcoming days the contest in the world will probably not be decided on the battlefields of the world but will be decided by the extent to which one or the other of us can contribute more and more to the well-being of men and women everywhere in the world.

Mr. Macdonnell: Will the hon. member permit a question?

Mr. Coldwell: Yes.

Mr. Macdonnell: Does the hon. member know, even approximately, what is the percentage of the population in the United Kingdom attending universities as compared with the percentage say in Canada and in the United States? Does he know that percentage, however roughly?

Mr. Coldwell: No. I am going to rely on the figure given by the Leader of the Opposition this morning.

Mr. Macdonnell: Was that figure not showing how many were assisted? I am asking the other question. I was under the impression that the percentage in the United Kingdom is low as compared with ours.

Mr. Coldwell: If my hon. friend knows he can give that figure. I do not know the figure. I think it would be interesting if, when he rises to participate in the debate, —as I imagine he will—he would give us this figure, for frankly I do not know it. However, I know this. In the past number of years—the past 20 years at least—in the United Kingdom new universities have been chartered and new secondary schools have been built as well as grammar schools that are available to the boys and girls in districts that I knew as a lad. As a matter of fact, if I may give my own experience, I was obliged to travel every morning some 30 miles by train to school in order to get a grammar school education whereas today there are three grammar schools within easy reach, one within the borders of the area where I was born. I notice that they have much greater opportunities for both secondary education and university education now than then. As I say, however, I have not the percentage. I know that it is much easier for a boy or girl today to get a university education in the United Kingdom because there are so many more bursaries and scholarships available than in our country. Whereas some 30 years ago or more a young man or woman desiring a university education could work during the summer holiday period and often earn enough to get through, today, of course, with the increase in the cost of board, the cost of fees, books and so on, it is more difficult than it was years ago. But as I say, I have not the comparable figures that my hon. friend asks me to produce.

I am not going to say a great deal more because when the bill comes down we shall be able to find out exactly what the government has in mind. I am happy to know that the government intends to appoint a council that will be representative of all parts of Canada and of the citizens of Canada without regard to partisan considerations. That is as it should be. I am not going to make to the Prime Minister or to the government this afternoon any suggestions as to who should or should not be members of such a council. We welcome this resolution. We shall welcome the legislation when it comes down. We shall give it our consideration and, in the respects in which we think it is worthy of support,—and I believe generally that it will be worthy of support—we shall support it. This is something that we have needed for a long time. I am happy to see that at last we are going to get this forward step. On behalf of my colleagues as well as myself I welcome this resolution.

Mr. Low: Mr. Chairman, as I listened to the Prime Minister this morning and to the other speakers who have dealt with the proposal that the Canada Council be appointed, I thought of what my father told me when I was a boy. I think he had read it from Hugh Walpole's writings. It went something like this: The whole secret of living is to be interested in one thing profoundly and in a thousand things well. My father in my early youth said to me, "I believe that is quite true and I would suggest that during your life you learn to be an apostle of abundant living." Mr. Chairman, I have consciously attempted to fulfil what my father suggested was a good way of life. As a consequence I have deliberately sought the art of diversified living. Here I must confess that it has been most delightful and that I have found that happiness which has come through knowing at least one thing profoundly and in being acquainted with a thousand things well.

I would take it that the meaning of that advice is the pursuit of culture. I listened carefully to what the Prime Minister said

this morning and I deliberately asked him a question about the humanities in order to get exactly what was in his mind with regard to the matter. From what he said I believe that the thing which I have consciously attempted to do was to set out to find culture. I do not profess to be cultured. I am afraid that I have missed it by a good long way. However, there are many things that I appreciate of the finer things of life. I also agree that we in this country, should do everything we possibly can to nourish and to sustain the arts, to borrow words used by the Prime Minister in his speech this morning, and to encourage everybody in our land to try to find that art of diversified and abundant living. It is satisfying, it is zestful; it makes people happy and it makes them understand one another much better than they have ever understood one another before.

I remember a journey which I took quite a number of years ago before the time of common travel by aeroplane. I found myself in the middle of a desert in the state of Nevada in the United States. Nightfall came on. We had been travelling across the trackless wastes for many hours without seeing anything but an occasional sign of life. Finally we came to what later proved to be an oasis. We were invited in to spend the evening by the people who lived in the home there. To our delight we discovered something that has remained with us, or at least it has with me, over all these years. I discovered a marvellous family. It was a family poor in this world's goods, struggling to make a living, not certain of the future or of the security that so many of us seek. However, I found that it had a well-stocked library that had been gathered together at great pains and great cost, perhaps through the sacrifice of other things. In the home I saw a piano and other musical instruments. I saw the children performing on them for our entertainment that night. They were self-taught or practically so, the mother and father having given every encouragement to the development of musical talent.

I want to say, Mr. Chairman, that in the course of the evening, as I listened to their entertainment and as I listened to the stimulating conversation that went on amongst the members of that family and with others, I could not help coming to the conclusion that here in the middle of a desert, isolated from all of the advantages that people normally enjoy these days, we found real culture. Here we found happiness and abundant living. I could not help but conclude also, as I listened to what went on today, that it was not government subsidized. It grew spontaneously out of a desire to excel, to develop. I must say, Mr. Chairman, to me it was stimulating because of the very spontaneity with which it came about. It was done by individuals for their own enlightenment, their own progress, and for the entertainment and delight of their fellow men as they came by. They were veritably dwellers by the side of the road where the race of men go by, not in great numbers; but it was a delight, I tell you, to spend an evening with these people.

I am thinking also of the southern negro of the United States. Nobody can ever claim that those people enjoyed many amenities of life; no one ever thought of subsidizing them or of giving them government assistance in the development of their culture. Just the same, Mr. Chairman, the negroes of the south did, by their won spontaneity and their own hard work, develop a culture that stimulated such great men as Stephen Foster in the writing of his operettas and those lovely songs. Then, there are the negro spirituals and the blues. Some of us do not like the blues, but there are a good many intellectuals who do. Jazz, all of these things, originated with the negro in the southern states. Some of us do not like jazz, perhaps, but I know a great many intellectuals who do and who get a great deal of satisfaction out of it. Mr. Chairman, the negro developed his culture out of his sufferings, out of his triumphs, out of his hard life, and it came as a spontaneous expression of that which was in him. He did not need any encouragement by endowment from the government of the United States to do it, and it enriched the life of the United States as it has enriched the lives of people all over the world.

I am thinking also of the Eskimo of the far north. I read a good deal about the Eskimo, I have talked to people who have worked amongst them, doctors and nurses of the United States who years ago first went amongst the Eskimo in Alaska to try to help those people into a better way of life. Many of those doctors and nurses confessed to me that they had learned from the Eskimo more than they had ever known about culture. They confessed that the Eskimo had developed one of the highest cultures known to civilization. They did it by their own hard work, out of the inspiration within their own souls to excel, to achieve, to develop skills. They did not need any government subsidization to do it. Therefore, I have to wonder just what we are doing when we suggest the setting up of a Canada Council for the purpose of buying culture, subsidizing culture. Mr. Chairman, you cannot buy culture; you cannot get it through the expenditure of money alone. There has to be the will on the part of the people to develop their skills and

achievements. Let us remember that culture is the sum total of the achievements in the physical, the mental, the spiritual, the scientific, the artistic fields. There has to be that will and it seems to me that depends to a very large degree upon heart education. We can accomplish that sort of thing. If you mean, by a Canada Council to encourage and sustain and nourish the arts, helping our Canadian people to understand through needs of the heart, then perhaps some of us might change our views in regard to it.

This morning the Prime Minister spoke of the needs of cultural education. I do not look upon them as needs at all; I think they are desires, and that is all they are. We all desire to see greater achievements in all of these wonderful fields that enrich our life and make it worth while and make it zestful, but they are not really needs by any means. I say we have to consider this whole matter in that light.

I want to pay a tribute to the voluntary bodies that have encouraged and sponsored the arts over the years, bodies like the dominion drama festival, the little theatre movement, the various foundations sponsored by philanthropic people in this land and in other lands. I think they have done a splendid job; but, Mr. Chairman, what has been achieved certainly is not a discredit to the people of Canada, is it? Not by any means.

If we take careful stock of what has been accomplished by the Canadian people in relation to our population we shall find that we have not lagged behind other countries in culture. I have in mind journeys that I have taken through the province of Quebec. I have been in homes where the people have been completely isolated for years from very much connection with the people outside. I refer to the back concessions of the province. I have found real culture in those families, with great devotion to family life, devotion to their religion, devotion to the soil and their country. These things inspired them to develop. When I sat on the front verandas of some of those homes, beautifully whitewashed and kept clean as they were, and watched the family on a Sunday afternoon working together doing splendid things such as wonderful handiwork, singing songs, developing skills and using them, I could not help thinking that there we had a spontaneous expression of the desires and the wills and the hopes. That amounts to culture. That is what it is. And so they too, the families of the country, have done much to help to achieve the standards of culture that we have achieved in this country.

When we speak about the need or the necessity of government subsidization I have wondered, what about Shakespeare, one of the greatest writers of all time, the greatest dramatist. Did he have to depend upon subsidy? Not by any means. He had to depend upon the patronage of Essex and upon what he could get from the Globe theatre, but he developed just the same, and became the greatest writer of all time in the field of drama.

What about some of our great Canadians? What about Raymond Massey? What about Mary Pickford and various others who have become leaders in the field of drama? I suggest to you, Mr. Chairman, that these people are only representative of many others who have excelled, and they did not have to depend upon government subsidy by any means. They achieved what they did through hard work and through the patronage of people who were prepared to pay for what they had to give. Certainly, I say that what we have achieved has been true culture, and it is no discredit to us as a country.

This morning the Prime Minister mentioned what had been accomplished in other countries. He mentioned what they have done in Great Britain and he also mentioned what the United States had accomplished.

He suggested that there were certain reasons why the United States did not have a counterpart to the Canada Council. He suggested that in the United States there were a great many philanthropists and wealthy people who became patrons of the arts and scientists. I am going to say to you, Mr. Chairman, that if we had in our country more people of material substance I am quite satisfied that they would be just as generous as the people in the United States have been, but one of the great reasons why we do not have as many wealthy people here, and I think we should begin looking into this, is that we have followed taxation policies that have taken the material substance away from people who would be patrons of the arts and sciences and have left them with little or nothing with which to endow. It is high time we began to take a careful look at what the real effects of our taxation policies have been.

I think we sometimes appear to be a little too anxious. It should be remembered we are still a young country and we have plenty of time in which to develop. I am not suggesting by any means that we lag behind in the development of our arts and sciences but I do think there are priorities as I said the other day; and it seems to me that one of those priorities for claims on any money there is available to be spent is the situation

of those people in our country who are forced to live below the borderline of poverty, the old age pensioners, those who are in receipt of war veterans' allowance and other pensioners. I do not think for one moment that it is going to help an old age pensioner to be cultured prior to the time he is given something to eat. Does the government think, for example, that having culture before we give him something to eat will help him to better appreciate what it means to starve?

I say we ought to be giving greater consideration to those priorities. Old age pensioners constitute one of those priorities and another important one is cancer research. Cancer is one of the great killers and we have found no remedy for it. We ought to devote our energy and resources to finding a cure. I am going to hang my head in shame if we say to the people of this country, "We cannot afford to do these things but we can afford to put up $50 million or $100 million for the purpose of bringing culture to you people." That is putting it in a direct form and those words express exactly the way I feel about this.

I do not for one moment feel that it is unwise to have such a thing as a Canada Council eventually for the development of the arts, letters and sciences. As I have already said, I am devoted to discovering expressions of art through diversified living and all the joys it brings; but I do not know for certain that this is the time for it to emerge as a priority and I doubt very much that this is so.

Let me make it abundantly clear, however, that I find myself if not in complete agreement, at least in substantial agreement, with the second part of the Prime Minister's resolution. Anyone who takes the trouble to examine into the needs of our universities, school divisions and municipalities cannot help but agree with what the Prime Minister said this morning concerning these needs. Not only are our universities overcrowded now but they face an extremely dark future unless something is done to help them achieve the physical plan that is required. The enrolment in our universities is going to be multiplied three or four times prior to 1980. There will be a tremendous influx of students who were the children born just at the end of the war. Within a very few years the universities will not have the physical facilities necessary to take care of this additional enrolment. The burden of supplying this huge capital outlay is too great for the municipalities and school divisions of the provinces to meet. Some means must be found by which they can be assisted.

I know what it means to support children in schools of higher education. I have two children attending university today, one in his third year in the school of medicine and one in second year arts. I have no hesitation in saying it is a heavy drain on the pocketbook as many of you will have experienced. These are not the only children I have sent to university but these two are attending simultaneously. I often think how fortunate I am to be in a position to send them because I know of a great many deserving students whose worthy parents have not been able to send them to school.

The son of a neighbour of mine recently graduated with an outstanding record from one of the local high schools. This worthy young man should have been granted an opportunity of going to university but he was not able to attend simply because his parents did not have sufficient money and he could not find a means of raising it. Worthy students like him should not be deprived of a higher education for monetary reasons and should be given the highest education they are prepared to accept, because every time we graduate a student and equip him with skills and degrees we have enriched not only his life but our nation, and at the same time have given impetus to his desire to achieve and excel, which means so much in the development of any country.

Mr. Stewart (Winnipeg North): May I ask the hon. member a question?

Mr. Low: Yes.

Mr. Stewart (Winnipeg North): I approve of what the hon. member has said but I am wondering if he realizes that he is urging in this particular area a large measure of state subsidization?

Mr. Low: Yes, Mr. Chairman, I realize that, and that is exactly the point to which I am coming in this connection, but I think this is quite a different matter from what I read in connection with the first part of the resolution. What I read about in the first part of the resolution will affect comparatively few people and will give direct comfort and enjoyment to comparatively few. What I am talking about at this time is something that will help many people and we have accepted that principle, of course. The fact that one accepts the principle of subsidization for a purpose that is universal does not mean that one has also to accept the principle where the results will not be universal, and so I have to distinguish between them.

If I may proceed, Mr. Chairman, I would point out that I am not certain in my mind that it is necessary to set up the Canada

Council for the second purpose. The fact is that we already have institutions and mechanisms in the country with which to deal with this sort of thing, that is improvements in university education, improvements in capital equipment at the university and so on, without the establishment of a Canada Council. Is it necessary for us to multiply our institutions every time we try to help a worthy cause? I say that if the government had wanted to do so they could easily have made this money available to the universities and the provinces that are charged under our constitution with the responsibility of providing education for our people. It is not necessary to have a Canada Council to do that.

I would like to see this help given to the universities, municipalities and the provinces in order that they may carry their burdens. As the Leader of the Opposition so aptly said this morning, the Canada Council proposal is not necessary; this is only chipping away at the block, and a mighty small chip it is too. We will have to see to it that our provinces and municipalities are provided with a fairer share of the government's revenue, and when this is done they will look after education and will do it well. When this government takes that view of things and is seized with the importance of decentralization in these matters, then I am satisfied they will begin to see the truth ahead of them and will be able to find their way through the shoals of the difficulty we face. This resolution does not point the way and it will not provide a lasting solution and it is because I feel that way about it that I speak with some feeling.

I would like to say, in bringing my remarks to a close, I feel that this is not the time to implement the demand that has been made quite vocal by a few people in our country to set up the Canada Council and endow it as is suggested, but that I believe it would be wise for us to scrutinize most carefully the policy under which it will be set up. I agree with what the Prime Minister said this morning in the house in regard to having men and women of absolute integrity head the Canada Council. I do not think that we can be too careful about that. I believe that we must make certain that we place in those positions now men and women of complete honesty of purpose. Why do I say that? Because, Mr. Chairman, we have had such things as this set up before, perhaps not internally, but I notice in the Massey report that the writers of that report suggest that this Canada Council will be the national counterpart of UNESCO. May I suggest that the original purpose for which UNESCO was set up was perhaps praiseworthy, and its objectives were praiseworthy, but I am going to say to you that men and women of dishonesty of purpose got hold of it and they have made use of it as an instrument of subversion and brainwashing. Some of the people who escaped from this country who were suspect in the field of communism found their way into UNESCO and were given places of importance and authority. May I point out that for this reason there sometimes are dangers in these concepts, dangers which we do not see or guard against. One of those dangers is that an instrument of this kind, although it can be an instrument of good, can be made, on the other hand, if it falls into the wrong hands, an instrument of evil. That is to say, we have to be very careful. I go along with the Prime Minister and others in saying that we must make certain if we are to go along with the Canada Council people that we see to it that people of absolute integrity and honesty of purpose, people free of any entanglements in these suspect movements, are put into those positions.

I want to see the bill and give it very careful study. I would issue a word of warning that we ought not to rush headlong into this thing without a careful study because when we go to the country the people are going to ask us why we rushed into this thing and put up $100 million for it and at the same time said that we could not help those people who have been living at or below the borderline cases which I have seen. I am going to reserve my decision as to whether or not I shall support the bill.

Mr. Knight: Mr. Chairman, on this matter I could not disagree more with my hon. friend to my left, the hon. member for Peace River, than I could disagree with anyone on this particular issue.

Mr. Blackmore: We expected that from you.

Mr. Knight: I take that as a compliment.

Mr. Blackmore: You may look at it that way, but I do not.

Mr. Knight: May I continue after these interruptions. My hon. friend says that he is against the setting up of this Canada Council because for one thing it has been set up too soon. I had intended to say in opening my remarks that my criticism would be that it has been set up much too late.

Mr. Low: I said it was a matter of priorities.

Mr. Knight: I submit that it should have been set up long ago. I am in complete agreement with the Social Credit leader when he says that he would like to see more assistance and more money given to the municipalities with which to carry on their

purposes, including the provision of educational facilities, but I am not at all convinced that, if the Canada Council is not set up, a corresponding amount of money will be given for that purpose. So I am prepared to accept the setting up of this Canada Council as a step in the right direction.

While I am talking about my hon. friend the leader of the Social Credit party I may as well take up this question of UNESCO which he has just mentioned. This UNESCO is not the bogey he seems to think it is. My hon. friends seem to be constantly worrying that they will find communists under the bed, and they are always looking for them.

Mr. Blackmore: You do not have to look for them.

Mr. Knight: I would suggest that if my hon. friend's assertion is right, and if some communists have got into UNESCO, as they got into other places, one of the ways to have seen that that would not happen was for Canada to have taken the proper action under the UNESCO charter. That charter is now ten years old and we were one of the original signatories. I believe that at the original meeting it was agreed or certainly it was understood when the people who signed that charter went home to their respective countries, that a national commission on UNESCO was going to be set up. For some strange reason that national commission was not set up.

One reason why I am in favour of the setting up of this Canada Council is that although the Prime Minister did not mention it this morning I understand he is following along the general lines of the Massey commission report. If he is, that would involve, not the setting up, as I have pleaded with the Prime Minister on many occasions to set up, of a national commission on UNESCO; it would mean that the Canada Council which he proposes to set up would be in effect, or an advisory committee to that council would be in effect, this national commission to UNESCO, something for which I have long pleaded. If I am mistaken the Prime Minister can correct me; if I am right he can corroborate what I have said.

Mr. St. Laurent (Quebec East): I just wish to clarify what the hon. gentleman is saying. If he will read the provisions with respect to the establishment of UNESCO he will find that this kind of body could not be a national commission of the kind envisaged as one of the alternatives under UNESCO, but many countries have convened national conferences prior to the UNESCO meetings. The bill will provide that the government can delegate to the council the responsibility for the convening of these conferences that do comply with the provisions of the UNESCO charter.

Mr. Knight: I am glad to have that bit of information. I have given it as my opinion that Canada has not filled its commitments to UNESCO in order to take advantage of it. I think that has been a disadvantage, not only to the other national members of UNESCO but to Canada, which has been the chief loser. Since the setting up of UNESCO Canada has done very little to take part in the original scheme except to send year after year whenever conferences were held delegates of a sort. In saying that I cast no reflection upon the hon. member for Victoria. I have criticized the government for their choice of people to send to these conferences. Generally they have been civil servants connected with the Department of External Affairs, having their headquarters at Ottawa. They go to these conferences and return and the people in the rest of the country know nothing about it except when they see a notice in the newspaper saying that they have been there and have come back.

Now that, to me, was not the carrying out of the original intention. These people, on a national commission or on the Canada Council, should be people who are interested, first of all, in the matter in hand. They should be chosen on a geographical basis. They should be delegates like my hon. friend the member for Victoria B.C. (Mr. Fairey)—men of his type, not civil servants connected with any department of government, and by that method the UNESCO ideal—by which I mean not only the promotion of national culture but the promotion of culture and understanding throughout the world among educated people who have the responsibility for doing a lot of the thinking of the world—would thereby be promoted and strengthened. That is my idea of the function of UNESCO; it is an institution that may be and should be a society for the promotion of sound ideals, peace and understanding.

I was glad to hear the announcement that the Prime Minister has made. There were one or two things which my hon. friend from Peace River said in which I could not see any sense. He talked about Shakespeare, and indicated that there was a Shakespeare in the world without the aid of a Canada Council. Of course there was. But how many Shakespeares have we had? One every three or four hundred years, I suppose. My hon. friend did admit that Shakespeare did not simply come from nowhere; he said he had a patron who gave him an opportunity to achieve what he did and I suggest that

what the government is doing now is going to provide an opportunity for many unfound Shakespeares to be,—not Shakespeares, of course, but I think my meaning is fairly clear. In other words, if in the past these advantages of which I have been speaking have been for a privileged few; my plea is that they should now be extended to the many. That is the point I would like to make.

I am not going to say very much about the council itself because I do not know what is going to happen until I see the bill, but I am going on to express one or two general ideas on the subject. I had intended to defer these remarks until the bill was discussed, but since others have expressed opinions I will make them now. I said at the beginning of my speech that my original criticism would be that the government's action is not too soon but that it is too late. I do not mean by that that it is irrevocably too late; I do not mean it in the sense that any particular damage has been done. Nevertheless I do think we have been wasting an opportunity of doing something we should have done years ago. There has been no action. I expected action in 1955 when I had the good fortune—I do not know why they chose me—to attend a meeting together with some of the educators in this country at a special council; I think it was a council of the humanities held in Ottawa early in 1955. There I heard one of the finest speeches I have ever heard the Prime Minister make and we all came out of the banquet held after that conference thinking: "We are going to get it; it's in the bag". I am not, of course, a mind reader, and I cannot ask the Prime Minister to disclose what was in his mind at the time, but we all felt it was in the Prime Minister's mind in 1955 to bring in some legislation similar to that which is being brought in now. Certain friends of mine, particularly in university circles in my city, were keenly disappointed that the speech from the throne that year contained generally almost as little as it does this year, and that there was in particular no mention in it of a Canada Council. However, it is in the speech from the throne this year, and I am glad of it.

I think the time has come when we should have some scheme of the kind proposed by the government. After all, we are a pioneer country. We have been in the earlier stages of our development and we have been concerned, probably of necessity, with material things; we had to dig the stones and cut the stumps, and I think we have perhaps failed to develop our human capabilities as efficiently as we have developed our material and natural resources. For some reason Canada stands alone in this. We have shown a strange hesitation and diffidence in artistic and literary fields. In the early stages, at least, we have been imitative. Perhaps this is because we are a nation of immigrants; we have come here imbued with ideas which are connected with the countries from which we came.

And so our culture and the folklore of which one of my hon. friends has spoken has really been the culture of the French Canadian race which has been established so long on the banks of the St. Lawrence river. My hon. friend has paid tribute to that culture, and I do, too. But the rest of the country is not getting any benefit from it. It is an individual culture of people who meet together to enjoy their little dramatic performances or whatever else they arrange. I would like to see that sort of thing spread across this whole nation and if that is to be done we shall need some medium through which it can be spread.

Now we are learning, as the Prime Minister has said, that we must depend on ourselves. We have begun to realize that art and literature must draw upon the Canadian scene if we are to have a national culture of any distinctiveness, and surely the creation of this Canada Council will inspire, encourage and create a climate in which this kind of thing can take place.

Mr. Fulton: What kind of thing?

Mr. Knight: My hon. friend can make his speech, with such inspiration as he possesses, after I have finished.

Mr. Fulton: I will.

Mr. Knight: Now I would like to paraphrase something I said some time ago because I think it is, perhaps, worthy of a reference even if I was the author.

> Perhaps our pioneer preoccupation with primitive things or perhaps our progress towards our own independence and in material wealth has been so swift that our appreciation of Canadian greatness and the capabilities of her people has not kept pace. We ourselves are at last discovering that there is as much drama in the lives of the native Canadians as a basis for literature as there is in other people's lives. Our artists are beginning at last to realize that there is as much beauty in a prairie sunset or in the Quebec woods as there is in a European scene which it was once conventional to portray upon canvas.
>
> And I pay here my tribute to the great advance made by French Canadian culture.
>
> Investment in the promotion of Canadian arts—for as such I see the setting up of this Canada Council—would add to the enjoyment, the education and the culture of all Canadian people.

I can subscribe to that today just as well as on the day on which I said the words just quoted. One phase that I think is important is that some people who have had some

opportunities to allow their genius to grow have been drawn away from us by the lure of extra monetary reward in the United States, and that has meant a great national loss to us. They have been drawn away by the lack in Canada of high monetary reward and the lack of an opportunity to practice their profession under good conditions at home.

The Canada Council can do for the humanities and the arts what the national research council has done for the sciences. To my mind, the humanities have been neglected. I have always maintained that and I still do so. As far as specialization is concerned, I should like to say this to the government if I may presume to advise them. When they are looking for men for the foreign service, when they are looking for men to administer departments at home, I say to the government that the best and soundest education with which these people can start is an education in the humanities. I hope that it will then happen that these young men so equipped by their studies of the humanities will be able to take advantage of government scholarships so that they may be trained in those functions for which the government wants to make use of them later.

These are ideas that I have upon the question. There has been opposition. We have seen an example of it here today from the leader of the Social Credit party and their former leader, the senior member of that group. Personally I cannot understand their attitude. No man has ever accused me of communist tendencies or even near communist tendencies. If they did I would repudiate them as I have repudiated the communists publicly. Communists have opposed me in every election in which I have run and not even my hon. friends will find a communist under my bed.

I do not know what this fear is based upon. Perhaps it may be based upon fear of interference by governments with our intellectual freedom. Let us admit that there is a risk, but even if that is so we will have to take the risk. We cannot hold back progress forever because somebody suspects something about a communist having infiltrated or being mixed up with an organization. If we are going to abandon all our good works because a handful of communists may get into these organizations we are not going to progress very far. We cannot hold back on account of fear.

It surely will be admitted that there has been no interference with intellectual freedom produced by the federal grants to our universities. If there is, I have never even heard a suspicion or a word about it. I have never even heard the subject mentioned. As far as I know, the federal authorities impose no conditions with regard to the spending of the money which they hand to the universities. I am not going to deal further with that argument.

I of course have claimed with respect to other types of education that there would be absolutely no interference in the curriculum or the administration of education where such grants were received, but that is not my subject today. I think there would be equal risk in taking money for the sponsorship of education or the sponsorship of culture—I do not like the word "culture" —from a private institution. I must say that I am glad that from now on the existence of drama festivals is not going to have to depend upon grants from the liquor interests of this country, something that we have seen happen in the past. Mind you, I do not wish to discourage the giving of grants by private industries or private philanthropists, but now we have got a medium through which these grants can be assigned to the place or places where they are most needed. I hope that this plan will not only not stop the intention to give such grants but will be an inspiration for private industry or philanthropists to put more money into a good cause.

Another disadvantage I can see with respect to private grants is that such grants are liable to come with some strings attached, although perhaps not very substantial strings. However, I can see that some firm that uses a great number of engineers, for instance, would pour money into a university or other institution of learning with the hope at least—and I would not be surprised that they would express it—that the money would be used to produce men whose services they could then use with great profit. I think that is natural. In other words, these grants would be made to students in a specialized field.

I have been saying for 12 years, and perhaps I do not need to tell hon. members again, that what we want is national sponsorship and effort. Another thing that occurs to me is that we need steady and continuous support of this sort of thing and not a spasmodic effort such as perhaps would be the result of private givings. A firm might give a quarter of a million dollars this year but you might not get any more for years to come. When we have a basis of continuous support we may hope to get somewhere.

I have already spoken much longer than I had expected to but the hon. member for

Peace River will have to take the responsibility for my wearying him to this extent. I am thinking now of how this council may be a potential means for the granting of scholarships. Throughout my life I have had a steady connection with the land that gave me birth. I have visited it a good many times and have kept in touch with people there, now, alas, too few. I have been convinced that no country in the world has made a finer contribution to its young people than has Great Britain so far as scholarships are concerned. Whether the figure is 70 per cent or 75 per cent is immaterial. My recollection is that in 1955 75 per cent of the students in the British universities were taking their studies with government support—

Mr. Fulton: Seventy-four per cent.

Mr. Knight: —and that 70 per cent of the total amount of money spent by the universities in Great Britain was provided by the government. That still does not clear up the question asked by the hon. member for Greenwood.

Mr. Fulton: Seventy-four per cent is the exact percentage.

Mr. Knight: The arts council in Great Britain has been a great success. There is no doubt about that. From the point of view of my philosophy and the philosophy of this C.C.F. group one important feature that I like is that bright young people, no matter what their financial circumstances, are provided with an opportunity to obtain an education. May I say that these scholarships have been given on only one basis, the basis of merit. They have a rigid system of competitive examinations, and it is a particular source of satisfaction to me that bright children of what are sometimes called humble families, who never could have hoped to get to university on their own resources, have been helped to go there and as a result Great Britain has the advantage of some of the brightest minds in that country. Their plan has brought benefits to many.

I said before that perhaps it is our newness that has been the cause of the disastrous neglect of the humanities and the social sciences. The government has been much more generous with purely scientific research. The need for defence programs may have had something to do with it. I am sure it has something to do with that tendency. We may be excused perhaps for being more impressed by the need for preserving our lives than by the need for the enrichment of our living. In my opinion we shall be obliged to strike a balance; and I think we can have some realization of both aims.

(*Translation*):

Mr. Gauthier (Portneuf): Mr. Chairman, I have a few words to say to indicate my support, modest as it might be, of the measure introduced this afternoon by the government. Somebody said this morning that it has been brought up rather abruptly; yet, everyone had heard about it for quite some time, had read much about it in the newspapers, so that members of this house should have expected that one day or the other, they would be called upon to consider this measure. Indeed, everyone had plenty of time to get ready, judging from the very interesting speeches I have heard here this afternoon.

I am convinced that the first concern of the government will not be, as our Conservative friends seem to fear, to appoint a Liberal as chairman of this council, just because he is a Liberal.

Too well do I know the Right Hon. Prime Minister (Mr. St. Laurent) and his government to dread a political appointment to that position. I am always amused when my hon. friends opposite express fear of political influence in government appointments.

I have a pretty fair knowledge of political history since I have been sitting for already 30 years either in this house or in the provincial legislature; I know too well that party considerations are foremost in the minds of my hon. friends opposite when they are in power. The old story of the mote in one's brother's eye seems to apply in this case. Mr. Chairman . . .

Mr. Van Horne: You do not believe that it is the primary concern of the Liberal party?

Mr. Gauthier (Portneuf): It has not been half as much the concern of the Liberal party as it has been that of the Conservative party throughout its history. If the hon. member would only read history, instead of taking up time to interrupt me, he would know a lot more about it and he would be able to speak far more intelligently than he does now.

Mr. Chairman, I felt that it was fitting to express a French Canadian point of view here this afternoon. I know some who would have been far better qualified than I am. Nevertheless, I have summoned forth all my courage in order to say something interesting, even though there may be some who will not find my remarks to their liking.

Canada Council

The Canada Council, to my mind is timely. We could hardly have had it a hundred years ago. We could hardly have had it even twenty-five years ago because we were not yet ready for it.

Character and mentality must have reached maturity in certain fields before talent can find self-expression. Such endeavours should not be attempted too early. Consequently, I do believe that this measure is timely.

As regards French-speaking Canadians, it is true that our development in the arts has been gradual. I am thinking here of drama, music and the humanities. However I pay special tribute to commercial and classical colleges for the good education they have given us in these three fields, especially in that of the humanities. Quite often in the course of controversies in newspapers and magazines, some writers who do not see the use of studying dead languages blame our seminaries for clinging to the teaching of Greek and Latin. However, knowing languages and specially the roots of the French language, our educators are well aware that, in order to have a good knowledge of French, one must also have a knowledge of Greek and Latin roots. Even for English-speaking people, specially those whose origin goes back to Normandy, it is certain that the knowledge of Greek and Latin roots is a great help to anyone who wishes to understand and speak English really well.

That is why, Mr. Chairman, we should pay a well-deserved tribute to our classical colleges for continuing to teach the so-called dead languages, and be grateful to them for developing among French Canadians able talents which would probably have remained dormant. It is in the seminaries and the classical colleges that we see certain talents blossom out thanks to the vigilant and solicitous care of teachers in our classical colleges, thanks to the attention they give to the education of youth, and especially, to their great learning.

The mention of a few names should be sufficient. For instance in my district, that of Mgr. Camille Roy, and in the Montreal district those of Canons Chartier and Groulx, are examples in support of my statement. There are others, of course, but those are the three which come to my mind at this time. Those people are educators who have helped a great number of French Canadians gain a high degree of proficiency in the dramatic arts. More recently, there has been Rev. Father Legault, who trained the famous Compagnons de Saint-Laurent, a group that has won medals in all Canadian festivals and from which have come such distinguished actors as Gascon, Coutu and Groulx.

We even had, in the theatre, French Canadian actors whose great talents have enabled them to grace the English stage. I shall mention only one, Paul Dupuis, who for years played on the stage in London. He is now back in Montreal and we have been very pleased to welcome him. Here is a man with a latin culture, with a French culture, who, nonetheless, has brought enjoyment, relaxation and satisfaction to a great number of English people who saw him on the stage or on films, or heard him on the radio.

I could mention a host of other artists, people like Plamondon, Jobin, Mercier, Simoneau, the Alaries and I take care not to forget a name for ever famous, a name whose renown has never been surpassed in the whole world, that of Madame Albani.

Ladies and Gentlemen—

Mr. Chairman, excuse me, it's a force of habit. Elections are coming and this most likely explains my *lapsus linguae*.

I believe, Mr. Chairman, that the French Canadian people will be pleased at the establishment of the Canada Council. I easily imagine that somewhere certain clouds will show up, bearing the words: "Keep watch upon autonomy, federal government should not interfere with education, and if song, the drama, the fiddle and the piano are part of education, there is danger that the federal government will interfere in the field of education."

I do not fear at all the interference of the federal government in the field of education; I can say so, I think, without causing offence to anyone, even the staunchest partisans of provincial autonomy.

I do not see either any danger in the payment, to universities, of grants such as have been offered by the Right Hon. Prime Minister in the speech he delivered not long ago. It is therefore my contention that the universities of the province of Quebec should accept those grants. I do not know why they did refuse them. They have no doubt their reasons; they may have excellent arguments but I think that we have, in the person of the Prime Minister and of the present members of his cabinet, strong enough arguments and a consistent enough record to be in a position to tell them that their fears are groundless. Universities should accept those grants which would help them go on with their magnificent work in the field to which they have devoted their efforts for such a long time in order to ensure the ever-growing success of education in the province of Quebec.

Oh, as somebody has said, I do know that the primary school may seem to be the solid foundation for the education of our young French Canadians. However, there is not only one stone in a building; there are several and all must be placed solidly and normally on top of one another, not only in the field of university education but also in the fields of primary and secondary education. When our universities and colleges need money, no autonomist outcry will be strong, powerful or sincere enough to prevent them from accepting the grants which the federal government wishes to make without any condition whatever.

A moment ago I was listening to the hon. member for Peace River (Mr. Low) and the hon. member for Saskatoon (Mr. Knight) exchange a few pleasantries with regard to the danger of communist infiltration in this council which the federal government proposes to establish. I am convinced that we can make progress in the arts, social sciences and the humanities without any danger of communist deviation. I do know for a fact that the communist leaders a few years ago had asked some musicians to change their style of composition because it was not close enough to materialistic ideals. I do know too that certain historians or certain scientists such as Lysenko, have attempted to destroy some theories such as the Mendelian theory since they went against communist ideology and more especially communist dialectics. I hardly think that that is a danger at the present time in this country with regard to the Council which the federal government proposes to establish, since our leaders are not communists but good democrats. I know also that Canadians are at present sufficiently warned against communist dangers, possibly not all but most dangers, so that there will always be among us people who are sufficiently wide awake to prevent such an infiltration in a Council such as this.

(*Text*):

Mr. Macdonnell: Mr. Chairman, I would not have felt it to be unavoidable that the hon. member for Peace River and I should disagree as much on what he said this afternoon as we usually do on matters of financial discussion, but such was in fact the case. Yet there was one thing he said with which I found myself greatly in sympathy. In fact, there were two things. He said that you cannot buy culture. With that statement we can all agree.

Incidentally, I agree with the hon. member for Saskatoon in wishing that we could get another word. The word "culture" seems to have become highbrow. I have been looking up the dictionary to see whether we could get another word for it. There is a definition which is not so exciting but which satisfies me much better; I refer to the expression "intellectual development". Incidentally, I was glad to hear the interesting definition of the word "humanities" that the Prime Minister gave us this morning, because it is not a word that carries its own meaning with it. I think it is well that we should have it in our minds.

The other thing in which I agree with the hon. member for Peace River is this. He seemed to fear, and I think it is a valid fear, that by stepping in with government funds we might blunt individual effort. I am quite sure that is not the intention at all, and I hope it will be possible to avoid completely such a danger because as we look about I think we shall agree that we find a good many instances in the world where a very high state of true culture has been arrived at with precious little money.

I was interested in what the Prime Minister said this morning, that in France, even before the revolution, they had the matter very much in their minds. I propose to read just a sentence from a speech made years ago by Sir James Barrie to the students at St. Andrews University. It is in praise of the Scots and, perhaps before reading it, I had better say I can do it without embarrassment because I myself am only 25 per cent genuine Scottish. He was speaking to the students and he was talking about the universities, and then he added this. I find it very interesting and I find it very true, because we all know that education in Scotland, largely due to the efforts of that very controversial character, John Knox, got right down to the grass roots, so to speak. This is what Barrie had to say to the students whom he was addressing, as recorded in a little book called "Courage". He said:

> You come of a race of men the very wind of whose name has swept to the ultimate seas. Remember—
>
> "Heaven doth with us as we with torches do,
> Not light them for themselves . . ."

Then he adds this:

> Mighty are the universities of Scotland, and they will prevail. But even in your highest exaltations never forget that there are not four, but five. The greatest of them is the poor, proud homes you come out of, which said so long ago: "There shall be education in this land." She, not St. Andrews, is the oldest university in Scotland, and all the other are her whelps.

We will all agree that effort should not be blunted. I find myself sometimes questioning a little the tremendous obstacles that are pictured as facing the individual seeking education unless he is assisted by scholarships. I do not entirely accept that. I think there are a very great many people who can still do it for themselves, but I do remember this. I remember when I myself was an

undergraduate and had to go out for five months each summer to get the wherewithal to come back next winter. I remember that a man who was himself a real scholar, not just a make-believe, said "We will never have real scholars in this country while students have to take six months of the year away from their studies in order to get the means to come back to their studies."

I have always remembered that. I think it is true; and therefore, while I repeat that the doors will always be open to any man of sufficient energy—and of course genius triumphs over everything—nevertheless legislation and our ordinary way of life have to try to deal with those of us who are about the average. I think therefore we are entitled to take anxious thought to facilitate people in their efforts to reach university.

I want to say a word or two about universities. Of course it is commonplace to say that all of us who are concerned with university administration are greatly perplexed and sometimes even alarmed at the stories we have heard of the impending flood that is going to descend on us before long. One occasionally gets qualifications to that statement. I have run into two or three industrialists who have said to me, "You know, we have a lot of people working in our plants and doing jobs for which they do not need a full engineering course; not that the engineering course hurts them, but the jobs could be done very adequately by people with considerably less technical training." It is probably well known here that in the province of Ontario, at any rate, considerable progress has been made in setting up those technical schools. I think I am correct in saying there are four or five of them now, and the intention is to develop them still further.

Another stretching of our resources which is possible is the use of present buildings, using them not on a 4-hour or 5-hour a day basis, but on a 12-hour basis and 12 months of the year. I believe that studies to that end are going forward and that no doubt will affect the situation considerably.

I now want to ask two or three questions which the Prime Minister will perhaps answer later. We have been given very interesting and impressive figures as to the increase in the university population but that, of course, as has been pointed out, implies a very much larger increase in the population of secondary schools, that is to say a grade below. If we are going to have twice as many in the universities I presume that means we are going to have far more than twice as many in our secondary schools. I would like the Prime Minister to tell us something about that and whether that problem has been taken into account, because it seems to me it will add vastly to the responsibilities of the universities themselves.

I noted also what the Prime Minister had to say about the limitation on the percentage of federal grant money which was to go into the construction of any one building, and that leads me to ask a broader question. I am reading now from paragraph (b):

> The council shall establish a fund to be called the university capital grants fund, to which shall be credited the sum of $50 million, to be paid to the council by the Minister of Finance out of the consolidated revenue fund.

I take it that it is correct to say that in the past, apart perhaps from some cases of special buildings, for example astronomy or other special purpose buildings which were really federal buildings located on university grounds, any capital assistance to universities has come almost wholly from the provinces. That is true, I think, of the university with which I am connected; and the question I wish to ask is where will the provinces come in in connection with these construction projects? Although I am subject to correction, of course, I got the impression as I listened to the Prime Minister this morning that the question of construction would be a matter between the university itself and this university capital grants fund.

The Prime Minister looks doubtful and perhaps he is going to correct that, but in any event I shall continue with my question and it is this. The council establishes this fund which will be called the university capital grants fund; that I take it is just a convenient means of crediting a separate fund. I am not quite clear in my own mind how far the council goes in decisions with regard to the nature of buildings, whether it is entirely a matter for the university, or whether the province comes in in any way. I think that will indicate the question in my mind, and perhaps it can be answered later on when the Prime Minister will no doubt have other questions to answer, too.

Mr. Nicholson: Mr. Chairman, before the resolution passes I want to express support for the important step it represents. I think the provision is not adequate, considering the problem confronting us, but having recognized the need for some action I know it will be possible for the government to increase the amount. I think the proposal that we should establish a Canada Council for the encouragement of the arts, humanities and social sciences is one which hon. members in this house should support.

I was interested in the comments made by the Prime Minister to the effect that we should look forward not only to Canadians going

abroad but to people from other lands coming to Canada. I am thinking of Terrance Gabora of Mikado, Saskatchewan. His grandparents came to Canada from the Ukraine at the beginning of the century and homesteaded out in the Canora district. At a very early age the grandson displayed an interest in the violin. His classmates and neighbours always received a great deal of pleasure every time this young chap had an opportunity of playing his instrument. At university he continued to devote time to his music and won a scholarship which took him to Paris and then to Vienna. He is now back in Austria in the general area where his grandparents and great grandparents lived. Last autumn he and his charming wife Gail Craig, who is a very accomplished singer, made a tour of the small communities in Saskatchewan that Terrance knew as a boy, and it gave our people a great lift to have these young Canadians coming back as such accomplished artists.

But the point I want to make is that the relatively poor people of Austria are providing a scholarship for this young Canadian to enable him to continue perfecting his art as a violinist, and I think most Canadians would agree that with our great resources we should not expect charity from the people of Austria to assist our young musicians to continue their studies.

When I think of these young people with their wonderful gifts I am disturbed about the prospects of their having to go to countries other than Canada in order to make a living, and I am hoping that the establishment of a Canada Council will result in encouraging many more young people like the Gaboras to go abroad to study. I also hope we will make plans to see that there is a place in the Canadian scene for such people when they have completed their training. I hope that a much larger number will be able to study abroad in addition to those who benefit from the generosity of people like Sir Cecil Rhodes.

This matter is perhaps of more interest to us in this parliament because the hon. member for Greenwood many years ago was a Rhodes scholar, as was the hon. member for St. Paul's, the hon. member for Kamloops and the Minister of Fisheries. They were all selected by the appropriate committees as the outstanding male students of the year, and had the privilege of three or four years of study in a very interesting centre of the world. I think we should look forward to a much larger number of young Canadians having the opportunities which these hon. members had when they were somewhat younger than they are today. I believe we should also make funds available so that students from other countries may come to Canada.

In the discussion on this resolution I do not think enough attention has been focused on the serious crisis that confronts us in Canada in connection with maintaining our universities. I have before me the November 17, 1956, issue of the *Financial Post*, and in it I find an interesting report on the conference held in Ottawa last November. The Prime Minister made a reference to it, and I would like to comment on the dispatch written by J. B. McGeachy, the associate editor. I realize that the hon. member for Lethbridge has accused Mr. McGeachy of using the facilities of the C.B.C. to put across communist propaganda, but I do not think there is anything in this article with which the hon. member would seriously quarrel.

Mr. Blackmore: Perhaps he is mending his ways a little.

Mr. Nicholson: I do not think the hon. member for Lethbridge will quarrel with the claim of Mr. McGeachy contained in the first paragraph of the report:

> Canadian universities are starved for funds, supported in too niggardly a fashion by both governments and private givers. Their staffs are overworked and underpaid. Their buildings and equipment are inadequate or soon will be. They have too few students who qualify intellectually and too many who don't.

Mr. McGeachy goes on to present some disturbing statistics. He estimates that 25 out of every 100 pupils in Canadian schools are mentally capable of deriving benefit from higher education, but points out that only 7 out of every 100 actually reach university. He explains this is a figure well below the United States average and still further below the Soviet level.

> Of the seven only five belong to the abler 25 per cent minority.
>
> In other words, two of the seven (or about 30 per cent of enrolment in the freshman year) come from the 75 per cent majority who would be classified as not suitable candidates for university degrees.

I suggest that this is a very serious Canadian problem, when we only have 5 of the 25 students in Canadian schools who have the mental qualifications permitted to proceed to university, while the other 20 are denied that right.

Mr. McGeachy says that everyone will accept, that it is not necessary, even desirable, that all the brightest minds of any era should go to university. He mentioned Henry Ford, Bernard Shaw and Sir Winston Churchill; none of them ever attended university. He suggests probably they would have flunked because of excessive originality. I think there

is no good reason why 20 out of 25 students in our schools who might become doctors, dentists or engineers, or take any other courses, should be denied the right to proceed to university.

Mr. McGeachy mentions Dr. MacKenzie, president of the University of British Columbia, who is one of the three university chiefs who tackled the financial problem in addresses, the other two being Principal Cyril James of McGill and Monsignor H. J. Somers of St. Francis Xavier. A good deal of space is devoted to the speeches of these three, but I will not take time to discuss them at the moment. It so happens that in the same issue of the *Financial Post* there is an article, the fourth in a series on Russia, by the editor, Ronald McEachern, this one dealing with education. I am sure the hon. member for Lethbridge will not suggest that the editor of the *Financial Post* is a communist or is trying to put across communist propaganda. I think that we should look at what Mr. McEachern says.

> The tallest building in Europe is Moscow's university.
>
> It isn't only tall. It's an enormous place stretching over a big land area.

He goes on to describe the laboratories, lecture halls, and various places of interest. The article continues:

> Professors are heroes in Soviet society and the head of a university department is paid as much as the head of a big industry or a senior government official. Those are symbolic facts. Because the biggest industry in the Soviet today is education—not just education for children, youths and maidens, but education as a continuing process for adults.
>
> About one fourth of the whole Soviet nation is studying—studying full-time in schools or engaged in formal part-time educational activity. About 30 million are in primary and secondary schools. About 2 million are in advanced specialist and technical schools. Another 2 million are in universities. And about 50 million adults were last year formally participating in some kind of education through night schools, university extension courses, and so forth.
>
> For a nation which only 40 years ago was about half completely illiterate, this is quite an achievement.

Then he gives some other figures which are worth looking at. He gives the percentage in the universities in the U.S.S.R., Canada and the United States. In Canada, according to Mr. McEachern, we have 4.9 university students per thousand population; in the United States, 15, and in the U.S.S.R. 19.6. The hon. member for Greenwood asked my leader earlier today about the figures for the United Kingdom. The hon. member for Rosetown-Biggar did not have those figures available, but I contacted our bureau of statistics and found that they had figures for the United Kingdom. Their figures for Canada for 1953-54 were a bit lower than those given by Mr. McEachern. Our bureau gave our percentage in 1953-54 as 4.2, and in the same year the percentage in the United Kingdom as 1.6.

He explained that in the United Kingdom quite a large number of students go to technical schools which are not included in the university statistics but I submit that we should have a look at these figures, 1.6 students per thousand in the United Kingdom and 4.2 or 4.9—we have two different sets of figures—for Canada, 15 for the United States and 19.6 for the U.S.S.R.

The hon. member for Saskatoon and the leader of this party stressed the fact that a much higher percentage of students in the United Kingdom than in Canada receive financial assistance. However, since only 1.6 per cent of your total population get to university, the fact that a larger percentage of those receive financial assistance than is the case in Canada does not get around the fact that a very large number of students in the United Kingdom never get a chance to go to university.

Mr. McEachern in this very interesting article on education in Russia is saying what others have said. Many hon. members heard the speech delivered by Mr. J. S. Duncan, then chairman and president of Massey-Harris-Ferguson Limited, when he spoke to the Canadian Club last year. A most interesting section of his speech was his discussion on education. He told us about his visit to the University of Moscow, and he was quite as extravagant as was Mr. McEachern when he described the central building as being 32 stories high with two other buildings 20 stories high on either side, and about their clearing away of 1100 acres of the slums in Moscow to build their university. He told about the accommodation for 8,000 students in residence and the meeting hall for 5,000.

Mr. Duncan then told us about visiting the Stalin works in Moscow. He joked about the name of the works, saying that he was not sure whether now it might be the Khrushchev works or the Bulganin works. He said that 40,000 men and women worked there, and that 10,000 or one-quarter of them, after working an 8-hour day, came back at 6.30 and studied until 10.30, three nights a week. Both Mr. McEachern and Mr. Duncan stress the fact that every place you went there was a feeling that education was going to be of great help. Mr. McEachern pointed out:

> People of the western world may not like the creed that Soviet students are taught. We may find abhorrent some of the objectives of this giant educational machine.
>
> But any candid look at the Soviet today demands attention to this phenomenon which is in many respects the most important activity in the U.S.S.R. today.

The getting of higher education is the best hope a Soviet citizen has of achieving an agreeable way of life and winning honour in the eyes of his fellow men.

There is a driving dedication to the idea of education as the most desirable of attainments that has seldom been equalled in any society unless perhaps in Scotland in the mid-19th century.

I think we have to recognize that the Canadian scene has changed a great deal since the act of confederation assigned responsibilities to the federal and provincial governments. At the time of confederation no one anticipated that the airplane, radio and television would change the complexion of our country as they have done, and certain responsibilities were given to the provinces without thinking very far into the future. But I think when we realize now—and these figures have been compiled by the Canadian Bank of Commerce—that out of every tax dollar we pay 12 cents to the municipality, 14 cents to the province and 74 cents to Ottawa it is fairly obvious that the provinces and municipalities are not able to cope with present-day demands in the field of university training.

I think it is also obvious that the Canadian people, when they turn in their tax dollars, seem to agree that the Minister of Finance should be placed in a position where he can have a very large surplus, though municipal and provincial governments have been turned out by electors who felt that the 12 or 14 cents out of each dollar that was made available were not being wisely spent. It seems to me that there is not a great deal of interest in how we spend the 74 cents.

However, I believe the fact that the federal government is spending so much money and providing such attractive returns to people in government service, or to people who are engaged in cost-price contracts for government projects, is having this effect; that our universities are finding it very difficult to retain personnel. It is also very difficult to encourage our students in high schools to proceed to university.

During the recess I visited one of the establishments on the mid-Canada line at Cranberry Portage, and while I was there I met the trustees of the school. This is typical of the problem which is being encountered. The principal was being paid $3,200 a year. If he would give up his job, change his profession and take a job on the construction project, accepting the lowest rate paid, he would get his board and room—and better board and better accommodation than was ever available to him in Cranberry Portage—free, and he would have at least $500 more than he would be getting as a school principal. The work he would have to do would not be more difficult than teaching. It would consist of washing dishes, peeling potatoes and other such tasks, all very necessary for the running of any establishment, but it does not require a university training for a man to be able to learn this type of job quickly.

I know a boy from my constituency who instead of going to university served an apprenticeship as a machinist. After five years he emerged as a very well qualified machinist. I am sure he is a very good worker, but his friends who went to university are aware of the fact that by the time they have finished their studies they have spent a great deal more but he will be earning very considerably more than they; in fact he was able to pay income taxes last year on an income of over $8,000 and in the last calendar year his best return for one month was over $800.

Members may ask what this young man does in order to get that sort of salary. He is working up in the Uranium City area doing a very important service which the Canadian taxpayers are going to settle for in the long run. But if one young Canadian is able to look forward to receiving $8,000 a year without going to a university, it discourages his friends from going into debt for a few years to attend university.

Many people in this country are seriously concerned about this problem. On this point I would refer if I may to an article entitled "Science and Mathematics Teaching in our Secondary Schools" by Mr. Garnet T. Page, general manager and secretary of the chemical institute of Canada. Mr. Page points out in this article that this is a national problem. I am not going to take the time of the house by reading the article, but the author has some suggestions to make as to how the situation may be remedied; what professional technical societies can do, what industry can do, what governments can do. He closes by saying that this involves a question of survival. I think it is plain that if we are going to spend $200 million on the building of a mid-Canada line as part of our defence against communism, we must also take all possible steps to increase the numbers of young students who go on to a university level of education.

Dr. Page has also written an article on education and professional manpower in the Soviet union. It is obvious in the light of the very large number of technically trained people turned out every year in the Soviet union that it is not going to be very long before these people go into the underdeveloped areas of the world to help the people in these areas fight the battle against poverty, disease and ignorance; and I think

we should be prepared to make a more generous allowance for the very important objectives outlined in this resolution than has so far been proposed by the Prime Minister.

Mr. St. Laurent (Quebec East): Mr. Chairman, the hon. member for Greenwood asked two questions in the course of his remarks, the second of which was, what will be the position of the provinces in connection with the construction projects for which funds may be available through the council.

It is not intended that the Canada Council should initiate any building program. It is going to have a fund available, and universities will come to the council and say, "We have a certain project which we want to realize, a project that will further the general objectives of the Canada Council, and we would like to have a grant from this fund". The council will have the responsibility of examining the project which is brought forth, and if they come to the conclusion that it is really a capital expansion project that will further the general objectives of the council they will have the responsibility of deciding whether that is one of the things to which they should contribute 50 per cent of the cost.

But the university authorities will not go to the council unless they are prepared to finance the other 50 per cent of the cost in some other way, either through a grant by the province or through donations or subscriptions from private individuals or out of reserves, if it is possible for universities to accumulate reserves. There is no intention of substituting the council for the governing bodies of the universities in the responsibility for deciding what expansion they should try to make in their capital facilities for the promotion of the studies of the humanities, social sciences or appropriate studies for the progress of artistic development.

I am not sure that I understood exactly what the second question was; I believe it asked for statistical information with regard to the student population in secondary schools and the number who might be expected to go to universities.

I have not that statistical information, because we took it for granted that with the growing population of Canada the estimates that had been made by the university people themselves as to what their problem was going to be were sufficient to make it advisable at least, if not necessary, for the government and parliament to take some serious notice of their warning that a serious situation was developing and required prompt attention.

I will endeavour to get the statistical information from the dominion bureau of statistics though, of course, it is not something with respect to which we feel at great ease in inquiring about too directly. Secondary education is part of the educational system under the exclusive jurisdiction of the provincial authorities, and there are some places where it is resented that any close attention should be paid by the federal authorities to the way in which the provincial authorities are discharging their responsibilities in that field.

There will be opportunities, of course, for many more contributions to the discussion of this important problem when the bill is before the house for second reading and for study in committee, and perhaps now that we have had these general views expressed—

Mr. Fulton: Not a chance.

Mr. St. Laurent (Quebec East): If the hon. gentleman feels that he would prefer to make a speech on the resolution before seeing the bill we will be quite prepared to listen to it, but I had thought that possibly members would like to have the bill at the earliest possible moment so their discussion would be adapted to the exact proposals the bill will contain, and so they might not feel that they would have to repeat themselves at the later stage when they will have the bill in their possession.

Mr. Fulton: The Prime Minister's speech on the resolution was so informative as to the position of the right hon. gentleman that other speeches are called for before we get the bill.

Mr. Michener: Mr. Chairman, I do not propose to discuss the principles involved, but I believe there is one matter which should be raised at this stage rather than later. First of all may I say that I enjoyed greatly the Prime Minister's discussion of the problem of the encouragement of the arts and sciences in Canada. It was the sort of speech one would expect from a man of his classical training, a type of training which is still prevalent in the province of Quebec and which seems to be lapsing in some other parts of the world.

Like him, I am one who is concerned about the place of the humanities, as they are called for lack of a better word. There is ample support for the application of knowledge to material things and well-being through technological education and that kind of thing, but we must not overlook the need for the growth of the capacity to understand ourselves and society at the same time we achieve greater control and power over material things.

What I want to bring to the Prime Minister's attention is briefly this. The resolution contains three items, and I assume they will all be incorporated and discussed as one bill. That seems to me to raise a problem which is quite difficult. There are three distinct ideas. The first is that of the council for the encouragement of the arts, humanities and social sciences. I think a council of that kind will commend itself generally. How it might be established and with how much money it might be endowed might be subjects giving rise to very different opinions.

It seems to me that if the bill set up the council and gave it the capacity to act, to receive money from the public funds and to receive private funds, as the Prime Minister has suggested it might have, then you would have done one thing which carries out one idea. But the second paragraph of the resolution then goes on to provide $50 million for purposes not limited to the immediate requirements of a council of that kind but for the encouragement of the arts and sciences, for scholarships and for other purposes. The amount and its purposes seem to me to be a second distinct idea which might very well be dealt with as a question of supply and granting of funds to the council which has been established by law.

Then there is a third string to this well-equipped bow, namely that the council shall establish a fund to be called the university capital grants fund. There another $50 million is appropriated for a quite distinct purpose, and one which might give rise to considerations very different from those raised by the first two parts of the resolution.

I am not expressing opinions at this stage, but it is quite conceivable that one would wish to support some aspect of these three matters and not others, and if the whole bill comes forward as a government measure it seems to me it will be rather difficult for hon. members who hold differing opinions on different aspects of this matter to express them in any intelligent way.

Therefore I ask the Prime Minister to consider when the bill is introduced—I assume it has been prepared already—whether the first item might not constitute the bill, and the question of voting funds be separated from the bill so the judgment of the house can be expressed correctly on these items.

Mr. St. Laurent (Quebec East): That matter was considered, and I will say at once to the committee that the reason we felt there should be an endowment provided in the same bill is that we want to get the right kind of people to act on this council. We wanted them to have the assurance that it was something serious, and that they were going to have at the very outset an endowment fund that would lead them to believe they were going to have the funds required to carry out this important task in the interests of the Canadian people.

With respect to the third portion, the university grants fund, the bill will provide that they can make these grants for capital purposes in furtherance of the general objectives of the council, and it will be a matter for the consideration of the house as to where and how the universities will be able to carry on the basic work with respect to this intellectual development, to use the term suggested by the hon. member for Greenwood. If, as I believe, there will have to be an expansion of the capital equipment in the form of buildings and other capital equipment to enable the universities to do their part in this intellectual development, then it seems that the council might be the appropriate body to make the allocation of such funds as would be available from the vote of parliament.

Mr. Fulton: Mr. Chairman, I am rather surprised at the Prime Minister suggesting that the only way he can get sufficiently satisfactory members of the council is to give them an endowment of $50 million, the income from which they could then administer.

Mr. St. Laurent (Quebec East): I did not say that was the only way, but I thought that would be a desirable way to convince them that it was a serious and very useful undertaking in the interests of the people that they were being asked to perform.

Mr. Fulton: I will accept the Prime Minister's modification of his earlier statement that he thought that was the only way in which he could convince them.

Mr. St. Laurent (Quebec East): The hon. gentleman misunderstood me if he understood me to say that I thought that was the only way. The record will show whether or not I am right in my recollection of what I said.

Mr. Fulton: Will the hon. gentleman say "one way in which to convince them"? Whatever the hon. gentleman said, it seemed to me inherent that somehow or other a large capital fund was necessary in order to persuade the gentlemen he had in mind to serve as trustees or members of this council. That is a proposition with which I am in entire disagreement because I should think, in fact I am quite convinced of it, that if the objectives of the Canada Council as envisaged by the government are worthy ones, Canadians will be found to serve on that council whether the claim of the council

for $50 million of capital is by way of annual grant by parliament or some modification as between the two methods. If the objectives are worthy, people can be found to serve upon the council.

But inherent in the proposal in this resolution are a number of issues which have not been dealt with and which I think must be dealt with before this committee is called upon to express its opinion for or against the resolution. With the idea that it is expedient to encourage the arts, humanities and social sciences I am quite certain no one in this house will be in disagreement. But as to the methods by which that encouragement should be provided I think there is room for a measure of disagreement, and particularly as to the methods by which the government proposes to further that encouragement, as embodied in the resolution now before the house.

There are two operative parts of the resolution, namely the one to provide an endowment of $50 million for the encouragement of the arts, humanities and sciences, and the other to provide a capital sum of $50 million for contribution to the capital costs of universities. It is with the second branch of the proposal that I should like to deal first. I do not suppose that anyone in this house would disagree—in fact I am quite certain of it—with the statement that our universities in Canada are faced with increasing difficulty with respect to providing the capital plant and equipment with which to carry on their job of higher education. To that extent no one can be opposed to measures which will contribute to the solution of that problem for our universities. But by the same token no one can deny the fact that this is but one aspect of the whole educational problem in Canada.

I would imagine the Prime Minister would agree with me when I say that one of the reasons this measure is presented to the house at this time is that it is generally agreed that over the next 11 years—I think that is the figure by common agreement—the population of Canadian universities is expected to increase by some 100 per cent. That situation is going to present an enormous problem to our universities in terms of physical plant and equipment just to accommodate, house and provide the facilities for teaching that increased university population, not only with respect to the arts, letters and sciences, but with respect to the engineering faculties particularly, including the provision of laboratories and so on. To that extent it is undeniable that some such measure as this to provide funds for the universities to meet the demands made upon them is essential.

We surely cannot lose sight of the fact that this is but one aspect of the general educational problem today. If, Mr. Chairman, as is the case, the population of our universities is going to increase to such an extent as to make this demand, that increase is but the result of the fact that our primary school population is going to increase by a number far and away beyond that increase in university population. I should think it would probably increase by something like 400 per cent to 500 per cent. We therefore must face the fact that this measure to provide $50 million for the provision of capital plant and equipment for universities does not go anywhere in dealing with the far more fundamental problem of how we are going to enable the provinces and municipalities to meet the increased costs which are going to be presented to them by the increase in the school population.

One is therefore left with this question. Why does this government single out one aspect, and one aspect only, of the educational problem in Canada today, namely the university problem, for a partial measure of remedy, and to that extent increase the problem of the provinces and the municipalities in dealing with their responsibility of providing the plant and facilities for primary education? If it is right that the federal government should make grants to university education, why is it not right that the federal government should offer some measure of assistance to the provinces and the municipalities in providing for their much greater and more pressing demand, namely the provision of plant and facilities in the field of primary education?

On that subject the right hon. gentleman is entirely silent. I suggest, Mr. Chairman, that he is silent because he realizes that you cannot divorce one aspect of the field of education from the other. This whole situation is inescapably and irretrievably bound up in the question of fiscal relations between the dominion and the province. Because this government refuses to face that larger problem the Prime Minister is silent as to the question which I have just voiced.

It now being five o'clock, Mr. Chairman, this might be an opportune time to adjourn this discussion.

The Chairman: Shall I rise and report progress and request leave to sit later this day or next sitting, as the case may be?

Some hon. Members: Agreed.

Progress reported.

INDUSTRIAL RELATIONS

PROVISION OF ANNUAL VACATIONS WITH PAY FOR EMPLOYEES

Mr. Stanley Knowles (Winnipeg North Centre) moved the second reading of Bill No. 2, to provide for annual vacations with pay for employees.

He said: Mr. Speaker, it would seem that today parliament is facing the fact that there is more to life than its material aspects. Some hon. members might feel that we are making a sharp turn in switching from a discussion of cultural matters to a bill having to do with an aspect of industrial relations. However, I suggest that the matters are not unrelated. We have been dealing with the fact that it is desirable that a portion of the wealth we produce might be dedicated to the arts, humanities and social sciences. We now turn to legislation which seeks to lay down the principle that those who toil are entitled to time off for rest and recreation.

Bill No. 2, which is now before this House of Commons, is a bill which seeks to provide all workers who come under federal labour jurisdiction with a minimum of two weeks' vacation with pay after one year's employment. There are other details covered in the bill which I shall come to in the course of my remarks, but that is the general principle contained in this bill: two weeks' annual vacation with pay to all employees under federal labour jurisdiction after one year of employment.

I might point out, Mr. Speaker, that this bill, Bill No. 2, is very similar to Bill No. 211 of last year, even as Bill No. 3, the next one on the order paper having to do with statutory holidays with pay, is similar to Bill No. 441 of last year. Indeed, the only difference between Bill No. 2, which is now before us, and Bill No. 211 of last year is a change in the title and the consequent change with regard to one word that appears throughout the bill.

Last year I gave to Bill No. 211 the title, "Canada Annual Holidays With Pay Act". I propose to change that title now so it will read, "Canada Annual Vacations With Pay Act". The reason for that change, Mr. Speaker, is to avoid any confusion between annual vacations with pay and statutory holidays with pay. These terms appear in collective agreements and in various items of legislation across the country, and in some instances confusion does arise when the word "holiday" is used both with respect to the annual week or two that a person gets off and with respect to statutory holidays such as New Years' day, Good Friday, Christmas, and so on. Therefore I suggest that we could avoid this confusion by using the term "annual vacations" to cover the provisions set out in this bill and by using the term "statutory holidays" to cover the holidays with pay referred to in Bill No. 3.

Since I have changed the wording of the title, using "vacations" instead of "holidays", I have made a corresponding change wherever the word "holidays" appeared in Bill No. 211 of last year. The only other change, of course, is the change of the effective date. Bill No. 211 did not get passed last year, so one has to change the date in this bill to make it come into effect this year. I make these comments in case anyone has compared this bill with the bill of last year. There are no changes of substance; indeed, there are no changes other than the ones to which I have referred.

I believe hon. members generally will agree with the proposition I made last year when I submitted this bill to the house, that it is becoming pretty generally recognized that the working people of this country are entitled to a decent annual vacation, and that they are entitled to have that vacation with their regular remuneration so they can enjoy it.

It is not many years since large numbers of our workers went through the whole of their lives without enjoying vacations with pay, but it is a matter of gratitude that we have moved from that situation considerably. Now, in collective agreements and by virtue of the legislation in a number of the provinces, a very large number of our people do get annual vacations with pay. However, there are still many who do not get such vacations, and there are many who do not get an annual vacation of the length which is specified in this bill, namely at least two weeks every year. Since it has been established in the minds of our people that it is a good thing, that it is right for our people to have annual vacations with pay, we feel very strongly that this should be made a matter of legislation in so far as this parliament has legislative authority.

I would point out, Mr. Speaker, that for many years the trade union movement has been struggling to win this point, namely the right of workers to annual vacations with pay. The trade union movement carries on that struggle, as it has done for many years, on two fronts. On the one hand it seeks collective agreements which include proper and adequate vacation provisions, but in addition it is seeking for vacations with pay as a matter of legislation. The trade union movement has for years sought legislation on this point.

The trade unions of this country, along with those of us in this house who press for

this kind of legislation, recognize that labour matters in Canada come under two jurisdictions. There are over five million workers in Canada, the greater number of whom are covered by provincial labour jurisdiction. Only about 400,000—but it is a substantial number—are under federal labour jurisdiction. It is with respect to these 400,000 under federal labour jurisdiction that this legislation deals. However, Mr. Speaker, in addition to providing coverage for those who come under federal labour jurisdiction, legislation of this kind does lay down a principle, does give a lead to the provinces that we hope will hasten the day when it will be a matter of universal practice that all our Canadian people are provided with adequate vacations with adequate pay so they might enjoy the advantages of such vacations.

I made reference to the fact that there is some legislation in this field in a number of the provinces. I gave a general summary of the provincial picture last year. So far as I can ascertain there has been no change in legislation since that time, though in the case of one province legislation which had been passed at that time has since come into effect. The result is that at the present time there are six provinces in Canada in which there is general legislation regarding vacations with pay. By "general legislation" I mean legislation that covers most of the workers in the province. In addition to these six, there is one other province that has some kind of legislation in this field. That one other province provides vacations with pay for two groups of workers, namely those in mining and construction.

Perhaps it would be well once again to summarize briefly the position of these seven provinces. The six that have general legislation are British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec. Two of these provinces, Saskatchewan and British Columbia, provide what this bill seeks, namely two weeks' vacation after one year of employment. The other four, Alberta, Manitoba, Ontario and Quebec, provide for only one week's vacation after one year's employment.

Last year when I spoke on this matter my friend the hon. member for Hamilton West (Mrs. Fairclough) regretted that I had not paid the appropriate tribute to the province of Ontario for having been the first province, as indeed it was, to introduce vacations with pay legislation. I am glad to pay Ontario that tribute which I neglected to include in my remarks last year; but I am afraid I must at the same time point out that although Ontario was the first to put such legislation on the statute books it has not improved it in any way since that time, and it still provides for only one week's vacation after one year's employment; whereas two other provinces in Canada, Saskatchewan and British Columbia, have gone further and provided for two weeks' vacation with pay after one year's service. I hope Ontario, which had the honour of putting the first legislation of this kind on the statute books, will soon bring that legislation up to date.

I should add that two of the provinces that provide for only one week after one year, namely Alberta and Manitoba, do provide for two weeks' vacation with pay later on. In the case of Alberta two weeks' vacation with pay comes after two years' employment, and in the case of Manitoba it comes after three years' employment. To complete the picture the seventh province, the one that has limited coverage in this field, is the province of New Brunswick, where there is provision for one week's vacation with pay after one year to those engaged in the mining and construction industries.

That summary of the picture in the provinces indicates that in seven out of ten provinces—and this brings to mind a formula which the Minister of National Health and Welfare will recognize—some provision for vacation with pay is made, and those seven certainly represent not only a substantial majority of the provinces but a substantial majority of the population of Canada. In that regard I might point out that the provinces have moved pretty far in the direction of making it a matter of law that workers are to have adequate vacations with pay, but I would also point out that this bill which I presented last year and which I present again this year matches the best of the provisions in any of the provincial legislation, in that it provides for two weeks' vacation with pay after one year.

I point out, Mr. Speaker, that in this respect my bill is exactly in line with the proposals made for a number of years by the labour movement in this country, proposals carried forward by the new Canadian Labour Congress when it was organized as a result of the merger last year. That request for federal legislation providing for two weeks' vacation with pay after one year's employment is one of the requests the Canadian Labour Congress makes to the government and the parliament of this country.

This bill has in it a provision which makes it clear that it supersedes any collective agreement or arrangement of any kind that provides for less than two weeks' vacation with pay after one year. It also has a provision that it does not interfere with any arrangement that is better than that provided in this bill.

Once again I would point out that although I have tried to do the responsible thing and present a bill which has worked out full details, including arrangements for the administration of a provision such as this, I hope hon. members of the house will recognize that on second reading we are debating the principle of this measure, and that we will not divide over some of the details of the administration. If the bill receives approval on second reading, which I hope it will, it will be my purpose to move its reference to the committee on industrial relations, where details of administration and arrangements for carrying out the principle might be considered and even altered or amended; but I would hope that on second reading the house would be prepared in this year 1957 to go along with the basic principle that the working people in this country are entitled after one year's employment to two weeks' vacation with pay.

One of the arguments that is sometimes put up against legislation of this kind is that it should be left to collective bargaining. Mr. Speaker, that is an argument that can be found on the pages of *Hansard* across the years. Whenever the government is dragging its feet; whenever the government is moving slowly in the labour field with respect to any particular matter, it says, "Leave this to collective bargaining". But the day comes when the government recognizes that the things that have been won by collective bargaining have to be established and held by legislative pegs. The day comes when the government recognizes that the unorganized deserve protection as well, and in that day the government actually supports measures which in years or decades gone by it said should be left to collective bargaining.

The labour movement is clear on this matter; it knows you have to fight for these things on both fronts. So the labour movement of this country does its best to win these things at the collective bargaining table, and the labour movement also seeks to protect these things by getting legislation both at the provincial level and here at the federal level. I hope this year, now that the Canadian Labour Congress is nearly a year old and is well established as a part of the life of this country, and now that hon. members have had more time to think over the principle involved in this legislation, in view of the fact that it was presented last year, it will receive the support of the house as a whole.

One of the arguments put up last year by the Minister of Labour in discussing this bill was to the effect that a very large percentage of workers who come under federal labour jurisdiction already have two weeks' vacation with pay, and therefore this legislation would not affect very many people. In support of that proposition the minister gave us certain tables which were placed on the pages of *Hansard*, but of course tables and figures always bear looking into. As a matter of fact the tables the minister gave in support of the contention he made in my view actually support our contention that legislation in this field is needed in order to extend the benefit of two weeks' vacation with pay to a large number of employees under federal labour jurisdiction who do not now have this protection.

While it is true, according to the tables, that a very large percentage of the employees who come under federal labour jurisdiction do receive annual holidays with pay, in most cases they have to wait for a longer time than is set out in this bill. Actually only 46.7 per cent of the employees who come under federal labour jurisdiction now enjoy two weeks' holidays with pay after one year's employment. That means that this bill if it is adopted will extend this privilege of two weeks' vacation with pay after one year to something over 50 per cent of those covered by federal labour jurisdiction.

Even that figure of 46.7 per cent is somewhat misleading, because it is an over-all figure, and in the categories included in arriving at that percentage are three groups who might be referred to as preferred groups, namely those employed in air transport, in banks and in certain government enterprises. According to the tables presented by the minister last year these three groups all have two weeks' vacation with pay after one year to the extent of 100 per cent. Therefore if you remove those three preferred categories and look at the rest of the employees covered in the table given by the minister last year you will find with respect to the rest that only 35 per cent now enjoy two weeks' vacation with pay after one year's employment.

Therefore the bill is something more than an academic exercise, something more than the simple laying down of the principle of vacations with pay, important though that may be. It is a bill which would actually extend the privilege of two weeks' vacation with pay after one year of employment to a large number of employees.

Because this bill represents the best that now obtains in many provinces of this country; because it implements the request made to the government and to parliament by the Canadian Labour Congress, and because I believe it is in keeping with the thinking of the Canadian people today that with our wealth and our capacity for production our workers should have time off for

rest and recreation, I urge that this house support Bill No. 2, calling as it does for a minimum of two weeks' annual vacation with pay after one year's employment for all workers under federal labour jurisdiction.

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, in anticipation of this particular bill coming up at this time it was pointed out that the Minister of Labour was absent on public business, and has been so absent for the past few days. I do not think it is necessary for me to repeat what he said at this particular juncture of the discussion of the bill a year ago, as I think the hon. member who has introduced the bill has fairly well given most of the facts in connection with the matter under discussion. I would not want to try to reinterpret the figures he mentioned, though I think he rather minimized the number of persons who do have benefits similar to those proposed in the bill.

Mrs. Fairclough: He used the minister's own figures.

Mr. Harris: Excuse me if I may go on. While it is quite true that approximately 47 per cent of the workers of Canada are presently enjoying benefits such as would be conferred by the bill as presented, the fact of the matter is that another 46 per cent do enjoy similar benefits after a longer period of service with the company for which they are working, up to I think three years' employment instead of one.

As I say, I do not wish to engage in any dispute about the facts. However, I would not think the house would like to go forward with the discussion without the Minister of Labour being in position to say something. I am quite aware of the fact that he deliberately put a great many tables on the record last year in order to aid discussion of the principle of the bill. In concluding his remarks at that time he gave certain reasons why he could not approve of the bill. I would like to suggest to the house that we proceed to another item of business, having in mind the fact that almost eight months or perhaps ten months have gone by since that discussion and it may well be that the Minister of Labour would like to add something to the remarks he made at that time.

It is not intended to suggest that he told me that he intended to do so, but I have reason to believe that he keeps these things in mind at all times and, as I say, might very well wish to add to the discussion of the bill. Therefore, unless there is any objection, I would hope we could allow this matter to stand for the moment by a motion to adjourn the debate.

[Mr. Knowles.]

On motion of Mr. Harris the debate was adjourned.

INDUSTRIAL RELATIONS

PROVISION OF STATUTORY HOLIDAYS WITH PAY FOR EMPLOYEES

Mr. Stanley Knowles (Winnipeg North Centre) moved the second reading of Bill No. 3, to provide for pay for statutory holidays for employees and for pay for work performed on statutory holidays.

He said: Mr. Speaker, Bill No. 3 is a companion bill to the one we were discussing just a moment ago, and even as I offered no objection to the course suggested by the Minister of Finance with respect to Bill No. 2, I would have no objection if he asked the house to do the same with respect to this bill if discussion is not concluded before this hour expires. I was aware, of course, of the absence of the Minister of Labour on public business, but it did seem to me that it would be a good idea to have the propositions contained in both these bills laid before the house early in the session so thought might be given to them, in the hope that the bills might be approved before this session ends.

I have already made some remarks in connection with the previous bill which relate to this one. Even as the other bill provided that all workers under federal labour jurisdiction should have at least two weeks' annual vacation with pay, so this bill provides that all workers in Canada who come under federal jurisdiction should have at least eight statutory holidays with pay a year.

The eight statutory holidays set out in the bill are those one would expect to be there, as they are holidays which are common to all the provinces of Canada. As set out in one of the clauses of the bill they are: New Year's day, Good Friday, Victoria day, July 1, Labour day, Thanksgiving day, Remembrance day and Christmas day. The bill provides that all employees under federal labour jurisdiction shall be given these eight days off work with their full or regular pay for that day. It provides also that if any employee is required to work on any of these eight days he is to receive his regular pay for that day, which he would get if he were not working, plus double time for working on that day.

This bill, like Bill No. 2, has in it a clause which makes it clear that it supersedes any provision in any agreement or arrangement that is less favourable to the employee than the provisions of the bill, but that it does not affect any provision or arrangement which is better than what is set out in this bill.

There are various other details in the bill, but I hardly think I need to go into them now except to point out that in this bill, as in the other one, I have tried to present to the House of Commons not just a resolution or an expression of principle but the fact that this kind of arrangement can be worked out in precise detail. The bill is fully drawn, and by accepting it parliament will make this principle of statutory holidays with pay along with annual vacations with pay the law of this country.

The provision of annual vacations with pay and the provision of statutory holidays with pay are both reasonably new. There are still in our midst many people who have known in years gone by what it was not to get statutory holidays with pay. Today there are many who do not get those holidays with pay, or if they do the benefits are much less than we feel they should be.

Again I would point out that what is sought in this bill is in line with the request made to the federal government and to this parliament by the Canadian Labour Congress, and I hope serious consideration will be given to what this bill seeks.

Actually for some time the idea of statutory holidays with pay has been established for those who are known as salaried employees, those who are paid by the month, and we feel that this principle should be extended to all workers in this country. With respect to this phase of labour policy I may point out that the provinces are not as advanced as they are in the matter of annual vacations with pay. As a matter of fact there are very few provinces which make adequate provision, or even very specific provision, for statutory holidays with pay. In most instances it is simply a matter of some incidental provision tucked away in a minimum wage act or legislation of that kind.

Nevertheless, if one does ferret out sections of various provincial statutes that bear on these matters one discovers that there is some statutory holiday provision on the statute books of six provinces, namely British Columbia, Alberta, Saskatchewan, Manitoba, Nova Scotia and Newfoundland. In some of these provinces the legislation merely states that certain days shall be recognized as statutory or public holidays. I regret to say that in the provinces which go only that far no provision is made for the payment of overtime rates to employees who may have to work on those days, nor is there any provision that they should receive pay if they do not work.

There are some provinces which go beyond this first step of declaring that certain days shall be holidays, and which provide what the rate of pay shall be for an employee who is required to work on a public or statutory holiday. That rate of pay varies from straight time to time and a half in the provinces which legislate on that point. There is only one province which takes the third step of providing that, on these holidays, in addition to the prescribed rate of pay for those who must work, those who are not required to work on these statutory holidays should also get paid their regular wages. The one province which goes all the way in this matter is the province of Saskatchewan, where eight statutory holidays are set out; and in that province workers must receive their pay in respect of these holidays even if they are not required to work. If they do work they are to receive, according to the legislation of that province, a rate of pay at a premium of time and a half in addition to their regular pay for that day.

However, surveying the picture again and using statistics which one obtains from the efficient statisticians in the Department of Labour, I discovered that those people who do get paid for statutory holidays, not so much by reason of legislation as by reason of collective ageeements, do fare much better in terms of rates of pay than would seem to be indicated by such legislation as we now have. One set of tables which I obtained from the Department of Labour indicates that of those people who get paid for statutory holidays—and in these instances one is thinking of all employees across Canada, not just of employees under federal jurisdiction—32.9 per cent receive premium rates of double time. In addition to that, 39.1 per cent receive premium rates of more than double time. That seems to me to add up to about 72 per cent of those who receive pay for working on statutory holidays whose premium rate amounts to double time or better.

I do not want these figures to be misleading. I cannot seem to find any figures which indicate the percentage of our workers who get paid in respect of statutory holidays. All I can find is this set of figures which indicates that of those who do get paid a very large percentage are paid a premium rate of double time or better. In most instances that is because of provisions in collective agreements, but at any rate the principle that there should be statutory holidays with pay is becoming fairly well recognized and in addition, I suggest, the principle is becoming recognized that those who are required to work on a statutory holiday should get a substantial premium rate. Hence my bill proposes that the

premium rate should be double time in addition to regular pay for that day.

Now, Mr. Speaker, I am free to admit that in recommending this piece of legislation I must use a slightly different argument from the one I used in respect of my earlier proposal. In the case of annual vacations with pay I suggested that the provinces have moved along a bit—seven of them have some kind of legislation on that subject—and that it was time the federal government got into the picture and established federal legislation in that field. In this instance the provinces have not moved very far yet. The trade union movement has made progress in seeking to get this question of statutory holidays incorporated into collective agreements, and I think here is an instance where the federal government could give a lead to the provinces.

In closing, Mr. Speaker, I return to the remarks I made when I began at five o'clock. This is a very interesting day in the House of Commons. We have been thinking all day in terms of life as being more than meat. We have been thinking of the fact that men live not by bread alone. We have been facing the fact that a proportion of our wealth should be used to encourage the creative capacities of our people. We have been thinking in terms of a portion of our wealth being used to encourage the arts, humanities and social sciences for the benefit of mankind. I suggest it is not inappropriate that on the same day we have been discussing these matters there should be before the House of Commons these two bills which seek to establish the principle that those who engage in toil and undergo the drudgery of manual work in this country are entitled to time off, entitled to recreation, and entitled to receive pay in respect of the time they are off work whether on annual vacation or statutory holidays.

I have no objection to the Minister of Finance proposing that our handling of this bill should follow the same course he suggested with regard to the other, but I hope that as a result of the study of these two bills by the Minister of Labour and the House of Commons, both pieces of legislation will appear on the statute books before this session ends so that our workers under federal jurisdiction will have as their right eight statutory holidays each year, with appropriate pay in respect of those holidays, and likewise two weeks' vacation with pay each year.

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, needless to say I support the arguments of the hon. member for Winnipeg North Centre. I do believe it would be unfair at this time either to talk the bills out or to force a decision on them in the absence of the Minister of Labour. I believe they are too important, and after the minister gets a chance to look at them it might not be a bad idea for the industrial relations committee to be set up to examine them and get the opinions of organized labour on the desirability of such legislation. I think the matter is too important to rush it in any way, and we should take our time and make a careful examination. I believe the Minister of Finance would be well advised to take the same course with this bill as he did with the last one.

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I am grateful to both hon. gentlemen for the suggestion that the matter might go over. I am fortified in asking that this might be done by reading what the Minister of Labour said at the conclusion of his remarks on a similar bill a year ago. I think I can quote his remarks without offending him in any way. He said as found at page 6264 of *Hansard* of July 20, 1956:

> . . . I can tell my hon. friend that my department will continue to study that matter.

That is, the principle of the bill.

> The possible need for legislation such as the bill presents will be looked into. I welcome the fact that the hon. member has brought the matter before the house at the present time—

Then he went on to say why at that time he could not support the bill. I take this to mean that the Minister of Labour intended to make and has since made a study of not only the principle but the details of the bill which was similar to the one now before us.

I should like, however, to comment on just a few points made by the hon. member for Winnipeg North Centre. I think he has been very modest and moderate in what he has said, but it should not be thought that there are not statutory holidays with pay at the present time. Nor should the impression be taken from what he said that this government—and I must say he did not press this point—has not been most careful about labour legislation in Canada.

I am not going to speak of our past record in the labour field but he knows, as every other hon. member does, that our record has been such that we have commanded support from labour people over a great many years, much more than in the case of any other party. However, the bill does present, as the former one did, a conclusion to a certain class of collective bargaining, if you will, so that if passed it would move into a certain area of advantage all those persons who for one reason or another do not now enjoy this benefit, whether by choice, whether by

inability to negotiate for it or perhaps for reasons of preference for other benefits on their own part. I am not sure what it might be.

I am quite satisfied from reading what the Minister of Labour said that he had at that time and I know has since given careful consideration to the principle involved in the bill. I know in this case, which I did not in the former, that he does intend to make some remarks on this subject at a fairly early time. Therefore under these conditions I gratefully accept the suggestion made and move the adjournment of the debate.

On motion of Mr. Harris the debate was adjourned.

Mr. Deputy Speaker: The business under public bills having been exhausted, the house will resume the business which was interrupted at five o'clock.

CANADA COUNCIL

PROVISION FOR ENCOURAGEMENT OF THE ARTS, HUMANITIES AND SOCIAL SCIENCES

The house resumed consideration in committee of the following resolution—Mr. St. Laurent (Quebec East)—Mr. Robinson (Simcoe East) in the chair:

That it is expedient to introduce a measure to provide for the establishment of a Canada Council for the encouragement of the arts, humanities and social sciences and further to provide inter alia that

(a) the Minister of Finance may, out of the consolidated revenue fund, pay to the Council the sum of fifty million dollars to constitute an endowment fund for the purposes of the act, and

(b) the council shall establish a fund to be called the university capital grants fund, to which shall be credited the sum of fifty million dollars, to be paid to the council by the Minister of Finance out of the consolidated revenue fund.

Mr. Dinsdale: Mr. Chairman, at five o'clock I was about to make a small contribution to this discussion. I realize there is not too much we can do in a concrete way with respect to this subject at the resolution stage. However, while there seemed to be general agreement during the course of the discussion this afternoon on the desirability of establishing a Canada Council, there was some doubt whether this was the suitable time for the establishment of such a council. As I recall, several hon. members raised that particular point.

During recent years I have been quite interested in the activities of several voluntary groups that have been operating in the field of the promotion of research and interest in the arts, humanities and social sciences. Only the other day the annual reports of the humanities research council and the social science research council came into my hands. I was very interested to find in these reports that the secretary treasurer, who in each case is Dr. John Robbins, emphasized the fact that during the past two years it had become increasingly difficult to provide sufficient funds to meet the research scholarship program that has been carried on for a considerable number of years now by both these bodies.

In 1951 the Massey report was brought down in the house, and it made no bones about recommending the desirability and necessity of the establishment of a Canada Council to encourage interest in the arts, humanities and sciences. That same report also emphasized the fact that one of the purposes of such a council—this was not the only recommendation in this respect—would be to encourage the development of a national culture.

Up until that time the funds for the activities carried on by the two organizations to which I have referred had largely been obtained from United States sources, in one case the Rockefeller grants and in the other case the Carnegie fellowships. During 16 years of operation the social science research council, for example, had received some $600,000 in grants from the Rockefeller foundation. By contrast, contributions from private Canadian foundations during that period of 16 years only totalled $30,000.

Two years ago the two bodies reached a crisis because the authorities managing the Rockefeller foundation indicated that they were no longer willing to support this activity in Canada.

That introduced a real crisis into the activities of voluntary groups. It was only after considerable extra trouble that they were able to persuade these United States sources of funds to carry on with their work, and then only on the guarantee that an equivalent amount would be subscribed from Canadian sources.

In reference to the humanities council, I believe it was Mr. Walter Gordon, who was active at the time and still is in compiling economic data concerning the future prospects of Canada, who was prevailed upon to undertake the solicitation of such funds from private sources. I merely mention these details. I am sorry that I have not the reports before me at the moment; I could have quoted directly from them. But what I have said gives a general summary of the situation. I mention these details to point out that there is a real urgency at the present time, at least with regard with these two important fields of activity, that some additional financial sustenance be obtained with which to carry on this important work.

Canada Council

This is not the first time the Canadian government has encouraged research or has participated in the promotion of what we call culture in this country. Admittedly the participation in that respect has been much less than has been the participation in the promotion of the activities of the national research council. Recognizing the need for stimulation of scientific research during world war I, the government of Canada established the national research council. That was a body which was largely devoted to research in the arts of war. In this day and age after two tragic world wars, when we are much more concerned about promoting the pursuits and the arts of peace, I think it is high time that we did something in this tangible form represented by the establishment of the Canada Council.

Having said that, Mr. Chairman, I want to raise one or two questions. I think the committee stage is the time to raise them. Whenever government assumes responsibility in activities of this kind there is always reason to be somewhat suspicious and to have certain reservations. Of course the only guarantee that public corruption will be avoided is some assurance that parliament will be able to maintain eternal vigilance over the activity of this body. When we have the bill before us, Mr. Chairman, I trust we shall find that it indicates that parliament is going to have some continuing control over the functions of the Canada Council.

In presenting this legislation to the committee today the Prime Minister made vague references to the personnel who will be making up the council, and he stressed the point that political partisanship would be avoided in the selection of the people who make up the council. With that point I heartily agree. I am just wondering how the appointments are going to be made. Will they be made by the governor in council, by order in council, or will they be made in consultation with the voluntary groups which are already operating in this important field of Canadian activity?

This afternoon the suggestion was put forward that this is going to mark a new era in the development of the arts, humanities, letters and social sciences. I think that is going a bit too far. Actually we have already come a long way in what we might call the cultural field. There are any number of voluntary groups which are operating in this area. They have established strong committees of their own. I imagine that the money that is provided through the grant that will come from parliament or from this house will be administered largely through the voluntary committees already operating in the field.

It also seems to me, Mr. Chairman, that these groups should be in an excellent position to make recommendations concerning the people best qualified to serve Canada as members of the Canada Council. I have in mind one excellent representative from this area of activity. I have already mentioned his name. I refer to Dr. John Robbins, who for the past few years has been engaged in the important work of compiling or revising the Encyclopaedia Canadiana.

Here is a man who has been intimately associated with the whole field of the arts, letters, humanities and sciences in Canada. I understand that his work is coming to a conclusion very shortly. I feel that he would make an ideal chairman for this particular body. He is from the keystone province of Canada. Being a Manitoban, he is representative of all influences in the Canadian body politic, and I am sure is eminently qualified in all respects.

Mr. Chairman, may I call it six o'clock.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, on Monday we shall continue with the debate on the address in reply to the speech from the throne.

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

ANSWERS TO QUESTIONS

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

INDIAN AFFAIRS—FEDERAL PAYMENTS, SARNIA, ONT.

Question No. 6—**Mr. Murphy (Lambton West):**

What amount, if any, was paid by the federal government to the city of Sarnia for work or services of any kind in connection with the Sarnia Indian reserve for the year 1956?

Answer by: **Hon. J. W. Pickersgill (Minister of Citizenship and Immigration):**

	Questions
Water supplied to council house, etc.	$ 113.37
Fire calls	375.00
Sarnia board of education (tuition)	1,862.22
Sarnia separate school board (tuition)	280.00
	$2,630.59

VANCOUVER, B.C.—COST OF TUNNEL

Question No. 31—**Mr. Hahn:**

1. What is the estimated cost of the tunnel from the federal building under construction in Vancouver to the Canadian Pacific Railway station in that city?
2. How is the cost being shared?
3. What purpose is the tunnel to serve?

Answer by: **Mr. Bourget, Parliamentary Assistant, for the Minister of Public Works:**

1. Amount of contract $1,140,000.

2. Total cost is being borne by the Department of Public Works.

3. To provide underground transportation for mail between the Canadian Pacific Railway station and the new federal building.

HOUSE OF COMMONS

Monday, January 21, 1957

The house met at eleven o'clock.

HOUSING

N.H.A. LOANS—ANNOUNCEMENT OF INCREASE IN INTEREST RATE

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, I should like to inform hon. members of the decision to increase the maximum interest rate on insured loans under part I of the National Housing Act from 5½ per cent to 6 per cent. A similar increase of one-half of 1 per cent will take place with respect to the rates applicable to other types of loans under the act.

The statute authorizes the governor in council to fix the maximum rate of interest that may be charged for various types of loans. In respect of insured mortgage loans, the interest rate cannot exceed the yield on long-term government securities, plus 2¼ per cent as of the time the rate is fixed.

The National Housing Act maximum rate was increased from 5¼ per cent to 5½ per cent in March last year. During 1956, and particularly in the later months, the large capital investment program has increased the competition for investable funds and general interest rates have risen. In face of this exceedingly great demand for funds, the flow of mortgage moneys to housing particularly under the National Housing Act has diminished in the last quarter of 1956 and the rate of house building has reflected this. The program for the year 1956 was nevertheless impressive. There was a new record of 135,000 completions. More than 125,000 homes were started and there were 70,000 houses under construction on January 1, 1957.

The present increase in the National Housing Act interest rate is designed to place would-be borrowers under the act in a better position to compete for a fair share of available mortgage funds in the year ahead.

The new rates will have application to all undertakings to insure that will be issued by Central Mortgage and Housing Corporation on and after tomorrow, January 22, 1957.

[*Later:*]

On the orders of the day:

Mr. George H. Hees (Broadview): I should like to direct a question to the Minister of Public Works. What effect does the minister expect from the announcement he has just made with regard to the construction of houses in Canada this year? What number of starts and what number of completions does the department expect this year?

Mr. Winters: Mr. Speaker, it is a little early in the year to give a specific forecast but I do anticipate that funds will be encouraged to enter the field of housing which were not being made available for borrowers, particularly under the National Housing Act. I anticipate that banks and other lending institutions will now be encouraged to make more loans under that act.

Mr. Hees: A supplementary question. Has the minister's department not made an estimate of the number of starts and completions in the housing field which will take place this year?

Mr. Winters: We try to ensure that there will be a high level of house building activity. That is part of government policy and this step is designed to ensure that there will be a high level of house building activity through 1957.

Mr. Alistair Stewart (Winnipeg North): I should like to address a supplementary question to the Minister of Public Works. Are we entitled to assume, in view of the increase of almost 10 per cent in mortgage interest rates, that this is the government method of helping low income groups to own their own homes?

Mr. Winters: Mr. Speaker, it is an attempt on the part of the government to make it easier for people of modest income to acquire cheaper money than is available to them in the conventional lending markets and, moreover, to acquire houses with lower down payments.

IMMIGRATION

C. G. HANNA—REQUEST FOR STATEMENT ON APPEAL

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): Mr. Speaker, may I ask the Minister of Citizenship and Immigration if he has any further report to give the house regarding the appeal of Christian G. Hanna to become domiciled in this country?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, I am not sure whether the appeal has yet been dealt with, and I cannot give a statement today.

[*Later:*]

Mr. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would like to direct a supplementary question to the minister. Does he not consider that in this case humanitarian considerations should have priority over departmental adherence to the letter of the law being stubbornly upheld? This is the type of question in which I submit the minister might well give consideration to those humanitarian things that affect mankind. I should like to suggest further that in view of the United Nations having taken this matter under advisement—according to the press of today which reports an interview with Dr. Humphrey—and regardless of any decision that is made, this man should not be moved out of Canada until the United Nations has had an opportunity to consider the matter.

Mr. Pickersgill: Mr. Speaker, I had always understood that the hon. gentlemen objected to government by order in council. We are carrying out the law made by this parliament.

Mr. Diefenbaker: The minister has power under the act to do by order in council that which is sought. When the minister talks about adhering to the law of the land, let me tell him that two courts have decided in other cases that he has not done that.

Mr. Pickersgill: The minister has no power; the power resides in the governor in council. The hon. gentleman knows that as well as anyone else.

Mr. Diefenbaker: Is not that an order in council?

Mr. E. D. Fulton (Kamloops): Does not the minister have the power or the right—he has exercised it on other occasions—to submit to the governor in council an order for their consideration and approval?

Mr. Pickersgill: Yes, sir. I quite frequently do that when I consider there is real merit in a case.

Mr. Fulton: Does the minister mean that he has decided there is no merit in this case?

Mr. Pickersgill: I said that an appeal is before the department and to the best of my knowledge it has not been decided. I think it would be quite improper for me to say anything more until a decision has been rendered.

Mr. Diefenbaker: You are prejudging the case.

Mr. Pearkes: Can the minister indicate when the appeal is likely to be heard?

Mr. Pickersgill: I presume today.

[Mr. Pickersgill.]

CITIZENSHIP AND IMMIGRATION

INDIAN AFFAIRS—SITUATION ON HOBBEMA RESERVE, ALBERTA

On the orders of the day:

Mr. R. F. L. Hanna (Edmonton-Strathcona): Mr. Speaker, I should like to direct a question to the Minister of Citizenship and Immigration. Will the minister please explain to the house why over 100 persons who have lived all their lives on the Hobbema Indian reserve south of Edmonton have now been notified that they must leave that reservation? If they must leave, what is being done to ensure that these unfortunate families will have homes to live in and incomes to sustain them in the future? Is the minister prepared to recommend to parliament an amendment to the Indian Act to prevent such expulsions in the future?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, I recognize that there has been an extraordinary amount of interest in this case, particularly in Alberta, and I hope hon. members will bear with me if I give a somewhat lengthy explanation of the circumstances surrounding it.

It will be recalled that at the time the Indian Act was amended in 1951 this parliament saw fit to make provision for the establishment of band lists and for a procedure which would settle once and for all who were Indians and therefore entitled to live on the reserves which had been set aside for Indians. There were a number of long standing disputes as to the status of individuals who had been living on Indian reserves.

I believe that this case in the Samson band at Hobbema is the last of the outstanding cases to be settled. My information is that 27 protests, as is provided for under the act, were made by Indians living on the reserve who were questioning the right of other persons living on that reserve to remain there on the ground that those persons were not Indians within the meaning of the act. One hundred and seven individuals were involved.

The matter was considered by a commissioner, who made a report. The registrar examined the report and all the other relevant information and came to the conclusion, rightly or wrongly, that those persons were not Indians within the meaning of the act, and never had been Indians within the meaning of the act, and were therefore not entitled to live on this reserve which was set up exclusively for Indians within the meaning of the act, and which belonged to those Indians, and for whom the minister was acting in trust.

Now, there is a provision in the act for an appeal to the courts against the decision of the registrar. I have found it somewhat difficult to understand why this appeal was not entered immediately the decision of the registrar was made known because, if it had been, the department would have continued to treat these people as Indians until such time at least as the appeal had been disposed of. Because an appeal was not entered we had no choice but to assume that the decision of the registrar had been accepted.

In fact, the department has not taken any steps to have these people moved from the reserve; it has not denied them relief or anything normally given to Indians. The only thing which has been done has been to withhold the share of any payments of moneys belonging to the band for distribution among members of the band and I think this was the only course we could possibly have taken unless and until the case is brought before the courts.

It does seem to me it would be a very extraordinary procedure for the government to recommend, or for parliament to take, action now while there is a provision in the law for a decision to be made by the courts, or to legislate before an appeal has been taken and a final decision reached. After all, what is involved here is not something which belongs to the government or to the people of Canada generally; it is something that belongs to a particular band of Indians, and for this parliament or for anybody else to say, in an arbitrary manner, that a certain number of people should or should not be considered to belong to that band, when a procedure is already laid down by statute for the purpose of making this determination, would appear to me to be an extraordinary course of action.

It seems to me the only thing we can do is to wait until February 6. If an appeal has not been entered for that date, we can then give consideration to what course it may be desirable to take. I sincerely hope that an appeal will be entered. Unfortunately, that question does not lie within the power of the minister to decide; it is solely a matter for the aggrieved parties to decide for themselves.

The second question asked by the hon. gentleman was whether I could say what would be done for these people should they have to leave the reserve. That seems to be a hypothetical question, and it will certainly remain one at least until the 6th of February and, if an appeal is entered, for some considerable time after that. I do not think it would be proper at this time to try to give a definite answer with regard to a situation that may never arise. As to whether there would require to be some kind of legislation in certain eventualities, I feel the same answer must apply. I should like to repeat, I sincerely hope that an appeal will be entered against the decision of the registrar, that this matter will be determined before a judge, and that the law will be allowed to operate in the manner laid down by parliament.

Mr. E. D. Fulton (Kamloops): May I ask the minister a supplementary question? In view of the important issues involved in this and possibly—I only say "possibly"—in similar cases, would the department consider providing counsel for the Indians if they should indicate a desire to appeal?

Mr. Pickersgill: In this particular case the Indians have retained a lawyer in Calgary who has made certain representations not only to the minister but to the Prime Minister and, for all I know, to other members of the government as well. I would be very happy to make that correspondence public if anyone would like to see it. I believe that there is no question but that they have counsel and the counsel they chose. I do not think there is any difficulty in that regard at all.

HEALTH INSURANCE

INQUIRY AS TO FEDERAL GOVERNMENT PROPOSALS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. Will the minister comment on week-end news reports to the effect that Ontario is giving consideration to the government's hospital insurance program? Can the minister say whether the current interest is in the proposals as outlined a year ago or whether changes in those plans are being proposed?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, my hon. friend asked a somewhat similar question in general terms last Monday. I would direct his attention to my reply of that date. I believe that at this time I can say no more.

PUBLIC BUILDINGS

NORTH BATTLEFORD—INQUIRY AS TO CONSTRUCTION OF POST OFFICE

On the orders of the day:

Mr. A. M. Campbell (The Battlefords): I should like to direct a question to the Minister of Public Works. Is it the intention of his department to proceed with the building of the post office in the city of North Battleford this summer?

Inquiries of the Ministry

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, do you wish me to answer a question of that nature now?

Mr. Speaker: I am always put on the spot when a minister asks me if I wish him to answer a question. He has full right to answer whatever he pleases or not to answer at all. Under past practice a question of this type is not put at this time because it is not of an urgent or national character and, in addition, can be asked when the estimates of the Department of Public Works are before the committee of supply.

Mr. Fulton: It might have a bearing on the election date.

Mr. St. Laurent (Quebec East): Isn't that clever!

EDUCATION

TRAINING FACILITIES FOR SCIENTISTS, ENGINEERS, ETC.—ASSISTANCE TO UNIVERSITIES

On the orders of the day:

Mr. George H. Hees (Broadview): I should like to direct a question to the Prime Minister. Does the government intend to assist the universities in providing the greatly enlarged training facilities that will be needed to train the greatly increased numbers of scientists, engineers, doctors and dentists, of which this country is so critically short today, so that we may avoid a continuance of that shortage?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, the government's intentions so far as they have been crystallized in decisions have already been announced to the house, and that procedure will be followed when other decisions are reached.

Mr. Hees: Was not the government's decision in this regard announced on Friday by the Prime Minister when he announced there would be no assistance given to the universities except to provide extra training facilities for the arts and humanities?

Mr. St. Laurent (Quebec East): If my hon. friend is of the opinion that he was given on Friday the answer to the question put this morning, I cannot see why he repeats it.

Mr. Hees: In reply to the Prime Minister's answer may I say this. It was my impression that he said that no extra facilities would be provided except for the humanities. I am trying to clear up the question as to the sciences and engineering.

Mr. St. Laurent (Quebec East): I hope my hon. friend will not lose too much sleep over his wrong impression.

Mr. Hees: Mr. Speaker—

[Mr. Campbell.]

Mr. Speaker: Order. I understand that the matter to which the hon. gentleman refers is one which is under consideration in the committee of the whole. When the matter is debated there again he may stand up and speak as often as he wishes for thirty minutes at a time.

FINANCE

BANK OF CANADA—REVALUATION OF BOND PORTFOLIOS

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to direct a question to the Minister of Finance. Is it correct that, by a recent order in council, the Bank of Canada has been ordered to revalue its bond portfolios on an amortized cost basis instead of a market value basis as formerly? If so, will the chartered banks be forced to do the same thing with respect to their portfolios of dominion and provincial bonds?

Hon. W. E. Harris (Minister of Finance): Yes, Mr. Speaker.

Mr. Nesbitt: I should like to ask the Minister of Finance a supplementary question in view of his answer. Can the minister give an opinion as to the effect on Canada's monetary policy?

Mr. Harris: Offhand, Mr. Speaker, I do not know what effect it will have on the monetary policy. I shall be glad to look at it and give an answer on my estimates if we reach that point.

Mr. E. D. Fulton (Kamloops): May I ask the Minister of Finance a supplementary question, Mr. Speaker, arising out of his last answer. With respect to monetary policy does the government pass orders in council of which the Minister of Finance does not know the effect? I find it difficult to believe that it does so. Would the minister care to reconsider his last answer and now tell us what the effect is?

Mr. Harris: Mr. Speaker, of course we do not take action without being aware of the general implications involved. Perhaps my answer to the hon. member for Oxford might have been a little bit more forthcoming than it was. The effect on monetary policy, if any, was so little that it was not a factor in the decision. If my answer was not that clear, I must apologize for it. But I am quite sure that the effect on the monetary policy was such that, as I say, it was not a factor in the decision which was made for other reasons.

POSSIBLE CONFLICT BETWEEN CREDIT RESTRICTIONS AND HOUSING LOANS

On the orders of the day:

Mr. Colin Cameron (Nanaimo): I would like to address a question to the Minister of Finance. Does the minister not consider that there is a conflict between the government policy, announced this morning by the Minister of Public Works, of encouraging the banks to make long-term loans in connection with housing, and the policy of the Bank of Canada to persuade the chartered banks to curtail their term loans?

Hon. W. E. Harris (Minister of Finance): The policy of the Bank of Canada with respect to term credit has been, for over a year I think, to restrict the growth of credit at the rate that it was then proceeding. This has been the policy since October, or a little earlier, in 1955. That does not mean that it is a straight curtailment of credit. It is a curtailment of the rate of growth at that time. I think that we have been successful in restraining that growth to the point where credit is still growing though at a more modest rate. Therefore, I do not see any particular conflict.

Mr. Cameron (Nanaimo): Is the minister aware that the governor of the Bank of Canada informed the banking and commerce committee a few months ago that he made representations to the chartered banks to curtail a particular form of credit which was long-term credit.

Mr. Harris: That is right.

Mr. Cameron (Nanaimo): Does he not consider that the National Housing Act loans come under that category?

Mr. Harris: Mr. Speaker, I do not have in mind the particular phraseology used by the governor of the Bank of Canada but I agree that although the purpose was to apply credit restrictions to long-term loaning, nevertheless I think that the governor of the Bank of Canada would not want the application of any policy to be such that one could say there was rank discrimination in any particular form of credit granting.

TABLING OF ESTIMATES AND DELIVERY OF BUDGET

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in the light of the reference made a moment ago by the Minister of Finance to his estimates, is he in a position to tell the house when the estimates for the next fiscal year will be tabled? Can he also tell the house when he intends to bring down his budget?

Hon. W. E. Harris (Minister of Finance): These are, of course, questions which should not be answered, but I propose to do so by saying that the estimates will be tabled either tomorrow or Wednesday and the budget I hope will be delivered some time before dissolution.

Mr. Knowles: Is that another of those forthcoming answers the minister sometimes makes?

TRANSPORT

ABANDONMENT OF NEW YORK CENTRAL RAILWAY LINE, CORNWALL-OTTAWA

On the orders of the day:

Mr. Albert Lavigne (Stormont): Mr. Speaker, I should like to direct a question to the Minister of Transport. Has any consideration been given to service for municipalities affected by the abandonment of the New York Central railway line between Cornwall and Ottawa?

Hon. George C. Marler (Minister of Transport): The hon. member was good enough to give me notice of his intention to ask this question, Mr. Speaker, but I have been unable to ascertain all the facts necessary in order to reply to it. I shall therefore hope to do so tomorrow.

GRAIN

FLAX AND RYE—REQUEST FOR MARKETING UNDER WHEAT BOARD

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Has the government given serious consideration to including the marketing of flax and rye under the complete jurisdiction of the Canadian wheat board in view of the fact that farm organizations continue to press for this being done?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the government has given serious consideration to this question. It is obvious that any action by this government would have to be preceded by action in each of the provinces concerned for the same reason that similar concurrent legislation was required in the marketing of oats and barley. Wheat is the only grain that moves to export markets in sufficient volume to give the government complete jurisdiction over its marketing. Whether it would be wise to attempt to take the step suggested by my hon. friend is debatable. There are opinions on both sides. In the light

of the information the government has at this time it does not propose to take action now.

SHIPPING

PILOT BOAT ACCIDENT, SAINT JOHN—REQUEST FOR PUBLIC INQUIRY

On the orders of the day:

Mr. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Transport. It has to do with the pilot boat disaster in Saint John harbour. A question was asked on Friday as to what consideration had been given by the government to an inquiry. I ask him whether he is now in a position to answer, and in particular whether in view of the circumstances this is not one case in which there ought to be of necessity an open inquiry so that all the matters in issue, and the circumstances, could be fully considered and known and brought to the attention of the public.

Hon. George C. Marler (Minister of Transport): I thought that I had made it clear the other day in answer to a question that I thought a public inquiry would be necessary and would be held. Unfortunately I have not received a report from the officer of the department who went to Saint John. I understand that the report now has come to hand and I hope to have its contents later today. However, I am not in a position to say more than I said when the question was asked on Friday.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Thursday, January 17, consideration of the motion of Mr. R. F. L. Hanna for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Diefenbaker, and the amendment to the amendment of Mr. Shaw.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, in many of the Liberal speeches during this session it has been easy to detect an attempt on their part to portray themselves as great admirers of the United Kingdom and of the commonwealth. Obviously the actions of the government during the Suez crisis last fall, in which Canada was one of the leaders in the attack on the United Kingdom and on France, have received criticism from Canadians from coast to coast. It would appear that the government and its supporters are now attempting so hard to escape from the consequences of this earlier stand.

[Mr. Howe (Port Arthur).]

Of course, the leadership in the adoption of such a stand was taken by the Prime Minister of Canada. His attitude is very accurately summed up by an editorial in the Chicago *Tribune*, that paper which for many years has been the leader in bitter, unfair and malicious attacks on the United Kingdom. I have here a report dated December 6, 1956 in which the Chicago *Tribune*, concerning the attitude of the Canadian Prime Minister on the Suez crisis, has this to say:

> The Chicago *Tribune*, commenting on Prime Minister St. Laurent's statement in the House of Commons on the Middle East crisis, says editorially it represents an "encouraging growth of the isolationist spirit in . . . unexpected quarters."

This dispatch goes on to say:

> The *Tribune* in a November 29 editorial quotes the Prime Minister's remarks that "the era when the supermen of Europe could govern the whold world is coming pretty close to the end."

The editorial concludes with this comment:

> An American official could not have put the case better.

In January of 1957 we have had this great conversion on the other side of the house. There are no more sneers at proposals on this side and no more statements like "ready aye ready" such as were used by the Secretary of State for External Affairs in November and at least in talk the government is now showing some concern for the United Kingdom and the Commonwealth.

Mr. Pickersgill: We always did.

Mr. Green: May I point out, Mr. Speaker, that it would be far more impressive if the government took some practical steps to turn such talk into deeds. For example, why could not the government bring in a bill right away to waive the interest on the United Kingdom loan? The Prime Minister was asked about this on January 11 as reported at page 120 of *Hansard*. The question was:

> Could he tell the house if the government has made any undertaking with regard to the proposed waiver of $22 million in interest charges due by the United Kingdom?

The Prime Minister in his reply pointed out that under the agreement between Canada and the United Kingdom the United Kingdom was entitled to a waiver of the interest on this loan under three conditions. One was that it was found necessary, having regard to the gold and foreign exchange reserves of the United Kingdom; second, that the international monetary fund certified to certain

specified conditions regarding United Kingdom balance of payments statistics; and the third, that any other country which has made a loan with similar conditions is also waiving the interest agreement which of course referred to a loan made about the same time by the United States. The Prime Minister went on to say:

> Early in December of last year the United Kingdom formally requested a waiver of the interest which would be due on the 31st of December, 1956.

He intimated that the question was under consideration by the government but concluded his answer with these words:

> In the meantime the United Kingdom has paid the instalment of principal amounting to $15½ million which was due on December 31 and has, I understand, set aside in an account in the Bank of Canada the amount of interest, this to be held by the Bank of Canada until a decision has been reached whether or not there will be a waiver of interest granted by all those who have similar loans.

Now, the United States have found that there is some defect in the agreement they have with the United Kingdom, as a result of which that government must get further authority from congress before a waiver of interest on the United States loan can be put into effect, and apparently Canada is once again just tagging along behind the United States. There is no reason why Canada could not act independently. The government could bring in a measure to waive the payment of this interest if it saw fit to do so. Probably there is little doubt that eventually the United States will take such action and then the Canadian government will have to act and will waive the interest under the agreement. Why on earth could not a step of this kind be taken right now without waiting for a lead from Washington? Such action would be the sort of thing that would encourage the United Kingdom. It would encourage not only the government but also the people and it would give some hope to the people of Canada that this government is not pursuing its policy of criticism of the United Kingdom.

The Vancouver *Province* carried an excellent editorial concerning this very question on December 6 and I am going to quote the final paragraphs because they sum up the situation very clearly:

> Twenty-two million extra Canadian dollars in the British treasury would not, by themselves be enough to stave off bankruptcy.
>
> But if Ottawa were to leave them there, by waiving the interest payment off its own hook, without waiting to see what Washington was going to do, there would be other benefits.
>
> One would be a boost for British confidence,—and there is psychology involved in every financial crisis as well as economics.
>
> Another would be to set an example to the United States Congress, which is all too likely, in the present mood of American opinion, to be reluctant to do anything for the British, even when it is in the clear interest of the United States.

The editorial concludes:

> In fact, why shouldn't Ottawa lead instead of follow?

Other actions that the government could take would be to express openly some concern and a degree of understanding with respect to Britain's difficulties in such places as Cyprus and Aden. The Canadian government failed to do that over the seizure of the Suez last summer, taking the position that what happened in the Suez was none of our business. One direct result is that today about one-fifth of the troops actually in that area are Canadians. Canada was very directly concerned last summer but the government refused to acknowledge it.

Then when the British and French moved into the Suez the blow that hurt the most came from Canada. When I refer to a blow I mean the statements made by government leaders and the actions of Canada in the United Nations and the speech made by the Prime Minister in this house at the emergency session. The Canadian people would have acted very differently, Mr. Speaker, and would have at least withheld judgment. The Canadian people were and they are today entitled to have a stand taken by their government on questions like this, just as on other questions, which reflects their beliefs and their aspirations. This government has been in office for so long and is so arrogant that the ministers think they know best what Canadians should believe.

The ministers pursue their own pet ideas. Let me give an example; the Prime Minister and the Secretary of State for External Affairs rushing to side with the Asian members of the commonwealth on the Suez issue. The Canadian people would not have done that, although having the most friendly feelings for these fellow nations of the commonwealth. Had the Canadian people been making the decision at that time they would not have rushed to side with the Asian nations.

Just the other day the Secretary of State for External Affairs again tried to leave the impression that such action had saved the commonwealth. I was rather surprised that he should take that stand again because I think it shows he has a guilty conscience and is trying to justify the actions taken last fall by making the claim that they helped to save the commonwealth. Prime Minister Nehru was here last month and had something

to say about the suggestion that the commonwealth was in danger of breaking up. I quote from a dispatch of December 5, 1956 as follows:

The commonwealth, Mr. Nehru emphasized, had suffered a severe shock in the Middle East crisis and has survived it.

"This," he said, "did not lead us to think that the commonwealth association was not good enough or should be broken. I never thought so in spite of the grave differences of opinion."

The prime minister of Ceylon was quoted on December 2, 1956 as having said at the United Nations:

Prime Minister Solomon Bandaranaike of Ceylon, interviewed at the UN, said he thought Mr. Pearson's commons statement was "rather an exaggeration." He said that there is more than mere sentiment linking the commonwealth countries together, as they were linked by a common way of life, the democratic way.

There has never been any doubt as to where Pakistan stands in the commonwealth. I point out to the Prime Minister (Mr. St. Laurent), his Secretary of State for External Affairs, and other members of the cabinet that these Asian members of the commonwealth would have far more respect for Canada if Canada had taken a stand such as would have been taken by the Canadian people themselves rather than to try to curry favour with the Asian nations by running along with them. So much for that particular subject.

I should like now to say a word about the speech from the throne, more particularly about what we do not find in that speech. It mentions about ten measures which are to be brought in and apparently they are the only ones the government considers to be of importance at this session; at any rate the only ones the government feels must be dealt with by the house this spring. I think all will agree with me when I say that it is a very light legislative program. In the 21 years I have been here I do not remember any program which was as light as the one we now have before us. It is evident that the government is coasting instead of endeavouring to deal with difficult problems.

This would seem to be another sign of their arrogance. It shows the low value they place on parliament. It shows that the ministers believe they are the masters of the Canadian people rather than their servants. As an example, I would mention four problems which should be dealt with.

In the first place, a policy should be adopted and legislation brought down to enable the government to co-operate with the provinces in the development of power and other resources which might be considered as self-liquidating projects. This could be described as a joint investment program. One example is the development of power on the Saint John river. For a long time New Brunswick has been suggesting to the dominion government that it should back the provincial bonds or give similar financial support in order that this project might proceed on a large scale rather than the small scale which has been undertaken by the province alone.

The Saint John river is an international river, as is the Columbia. The Minister of Northern Affairs and National Resources (Mr. Lesage) will be expecting me to refer to the Columbia later on. Two years ago the government took a licensing control over international rivers and I believe it has some responsibility for helping to bring about development on these rivers.

The Gordon commission report contains a recommendation along these lines. I am not going to read the extract in full, but it commences at the foot of page 103 and is to be found in the section dealing with the Atlantic provinces. The commission point out that there are a number of problems which require substantial capital expenditures, and the report continues.

These include the provision of additional power resources in New Brunswick and the various suggestions for improving transportation facilities which have been referred to previously. In part at least, some of these might be self-liquidating.

Mr. Gordon and his fellow commissioners go on to say:

. . . the desirability of granting some measure of capital assistance towards the construction of public projects, including improved transportation facilities, in the Atlantic provinces is apparent. Specifically it is suggested that the federal government should agree to contribute a fixed sum per annum for capital assistance for a term of years, on the understanding that the initiative in the actual allocation of these funds, including the determination of priorities should come from the Atlantic provinces themselves. Under this proposal, some kind of joint capital projects commission would be established with an appropriate staff.

There are plans for large developments on the Columbia river in British Columbia and, as the minister knows, the ultimate cost of these undertakings will be about $1,000 million. The main development consisting of a dam and power plant at Mica Creek could be commenced if it were known just how that work is to be done.

Mr. Lesage: The engineering studies will take at least another year.

Mr. Green: The engineering studies may take at least a year to complete but something must be done to bring about finality as to how the work is to be completed, and the situation today is that nobody knows.

Several proposals have been made. One is that the Puget Sound utilities council,

which is a United States organization, should come in and do at least part of the work, but this would give a foreign country considerable control over the river in Canada. Another is that a private company should do the work. This would mean additional cost and if that company were the British Columbia Electric it would mean a monopoly over quite an area in the province. The third suggestion is that the province of British Columbia should do it, but that province is not in a position to finance projects to the extent of $1,000 million. The final suggestion is that there should be a joint undertaking by the dominion and the province, co-operating much along the lines of the suggestion with regard to the Saint John river. Now the minister himself conferred with Premier Bennett last summer concerning Columbia river developments, and I have here the press release which followed. We find these words.

It was agreed that in the circumstances it is of the utmost importance for the future development of the province to ensure that the largest possible amount of power is derived from the hydro electric possibilities that are present, and that this be done at the lowest possible cost.

There can be no doubt that the cheapest way in which this work could be done would be by co-operation between the dominion and the province. In this way money could be raised at a lower rate of interest, and I do urge upon the government that this policy should be adopted; that there should be finality now and legislation brought down which would make it possible for the dominion government to participate.

In connection with the Columbia river may I point out to the minister that fears have been expressed in British Columbia that in the negotiations which are about to take place with the United States government Canada will be prepared to bargain away some of the rights which we now have under article 2 of the boundary waters treaty of 1909. There has already been a great delay in connection with this matter. The announcement that these negotiations were to take place was made by the minister on May 23 of last year but just the other day, on January 9, he told a questioner in the house that no definite date had been settled. Someone, either here or in Washington, is dragging his feet in connection with these negotiations.

However, under the boundary waters treaty Canada has the right to divert water from the Kootenay to the Columbia and from the Columbia to the Fraser without the United States government being entitled to protest. That right only comes to us because the United States itself insisted on including a provision to this effect in the treaty of 1909, when it favoured the United States, and I hope the minister and his advisers are not prepared now to go down to Washington and bargain away the rights which belong to us under that treaty.

The second problem which I suggest should be faced this session is Canada's lack of a deep-sea fleet. I am not going to discuss this question in any detail today; I will just say this: the government has allowed the deep-sea fleet under the Canadian flag to disintegrate. There are still only 17 deep-sea cargo vessels, which represent a total tonnage of less than 100,000 tons, and out of this number eight are Canadian National Steamships. It is true there are some 90 wartime vessels on the United Kingdom registry, but I understand that about 20 of these have been sold this year, so that in a matter of a few months that number will be down to about seventy. These vessels are under United Kingdom control; they are not manned by Canadians. Some of them were requisitioned for service in connection with the Suez canal by the United Kingdom government.

Canadian-registered ships are practically off the high seas at the present time. One result is that supplies and equipment for Canada's forces in the Middle East have to be carried in foreign bottoms; there are no Canadian ships available to carry them. In order to carry Canadian troops and their equipment to the Middle East, what do we do? We strip the *Magnificent*, Canada's principal naval vessel, built at a cost of millions of dollars. That vessel had to be stripped—I presume at a cost of more millions of dollars—in order that she could act as a troop carrier.

Next year or, at the latest, by the opening of navigation in 1959 the St. Lawrence seaway will be ready for use. There will not be one Canadian deep-sea vessel to use it unless some policy is quickly adopted by the Canadian government. Other nations are preparing for this opening. Germany has been building vessels for that service. But at the present time there are no Canadian or American vessels available. The Americans have moved to meet the situation. I have here the year-end summary of the federal maritime board. The chairman of that board, Mr. Clarence G. Morse, had this to say with regard to shipping through the seaway:

Additional ocean transportation service on essential U.S. foreign trade routes is expected under operating-differential subsidy agreements. In February 1956 the ocean routes between the great lakes and St. Lawrence river ports of the United States and ports of western Europe were declared essential to the trade and economy of the nation,

and the size and type of ships and frequency of service required was determined by the maritime administration.

Mr. Morse goes on to point out that three American shipping companies are taking advantage of that provision, also that the route through the great lakes to the Caribbean is to be declared essential. Thus, when the seaway is opened there will be American vessels to use it, but all Canadian freight through great lakes ports will have to be carried by foreign vessels.

Mr. Marler: I suppose the hon. member means overseas traffic?

Mr. Green: Yes, deep-sea traffic. The present position illustrates so clearly the folly of delay. I point out once again to the minister and to the government that there must be a policy and legislation which will ensure a nucleus of modern deep-sea cargo vessels owned and manned by Canadian citizens and operated under Canadian registry.

The third and fourth questions which in my opinion should be dealt with at this session affect the Canadian people directly, and for that reason they are even more important than the subjects I have already mentioned. One is legislation for veterans and the other is welfare legislation, including old age security, old age assistance and pensions for the blind.

With regard to the veterans there was practically no legislation last session. At that time we were given the excuse that the government was waiting for the resolutions from the dominion convention of the Canadian Legion which was held in Vancouver in June. Those resolutions have, of course, been available now for many months. Furthermore, the cabinet met the dominion executive of the Legion in November, and once again recommendations were made for improvements in veterans legislation. Nevertheless, there is not one word in the speech from the throne about any such legislation being introduced.

Some of these particular matters are of great importance to the veterans of Canada. Let us consider, for example, the subject of pensions. The Legion have asked that there should be an increase in pension rates to correspond with the increase in the cost of living. Then they ask, once again, that where a disability has not been recorded on enlistment there should be a presumption that, should it develop subsequently, it did arise while the veteran was in the service even though the doctors may suggest a pre-enlistment origin.

Another point which should be dealt with this session is the removal of the provision which affects marriages by veterans of the first war. Any who were married since May 1, 1954, can receive no payment for their wives. This deadline should have been wiped out long ago. The practice has been to lift it from time to time, that is, to put it ahead, but evidently there is to be no such action this year.

Turning to war veterans allowances, the Legion has asked again that the ceilings on permissive income be raised to $1,200 for a single man and $2,000 for a married man and that the married rate be raised from $108 to $120. These again are changes which should have been made a long time ago, and I cannot understand the attitude of the government in failing to take some step to meet this need at the present time. The equity in a home allowed to a recipient of war veterans allowance should be increased from $6,000 to $8,000 or $9,000 to be in line with the values of homes at the present time. These are all changes which should not have to wait but apparently there is to be no legislation until 1958.

I believe that parliament is shirking its duty in not dealing with these veterans' problems now. We are all at fault. Members on all sides of the house will be criticized for the failure to bring down legislation along these lines, and I hope that the government will change its mind and see that something is done before dissolution.

The final question I wish to place before the house as calling for action this year is the matter of welfare legislation involving, for example, our senior citizens and those Canadians who have the misfortune to be blind. I believe that very real hardship is being suffered by thousands of such Canadians across this land. Their pensions have never been sufficient to enable them to live decently. Their pensions have represented merely an existence. Now, with the great decrease in the value of money, these payments have fallen far below the existence level.

In a few provinces some help is given by the provincial governments. I know that is true in my own province of British Columbia. But obviously the time has come for a general increase. Someone may say: Well, how is it going to be paid? I believe that these increases could be paid out of the large surplus. Apparently the Minister of Finance (Mr. Harris) is expecting a surplus of from $300 million to $400 million. Such increases could also be paid by means of a larger levy. I believe the people of Canada would be perfectly willing to pay more taxes in order to increase the payments going to these worthy Canadians.

Unless action is taken this session there can be no improvement until the fall or

perhaps 1958. Meanwhile these older Canadians and the blind will continue to suffer. In my opinion that will be tragic and a very direct result of the failure of the government to act now.

It is not going to be good enough for the Minister of Finance to make an announcement in March or early in April that something is to be done about old age and blind pensions at a later date. Action should be taken now. Legislation should be placed on the statute books during the present session.

On these four questions, the joint development of power projects, re-establishing the Canadian deep sea fleet, legislation for veterans and welfare legislation, the government as yet is offering no leadership. On these questions the speech from the throne is just one big blank. Evidently this session is going to last for another two and a half to three months.

Mr. Pickersgill: Oh, oh!

Mr. Harris: Why look at me?

Mr. Green: The Minister of Citizenship and Immigration (Mr. Pickersgill) laughs. I do not know whether that means it will last for a longer or shorter time.

Mr. Pickersgill: I will not do anything to lengthen it.

Mr. Green: In any event, it is generally understood that we will be here for another two and a half to three months. I suggest that the government bestir itself and deal with these problems. There is no reason why these and other problems should be shelved. They should be dealt with this spring, and I can assure you that if they are not the new government which will take over this fall will deal with them promptly and effectively.

Mr. Pickersgill: Why do you want them settled in the meantime?

Mr. J. H. Dickey (Halifax): Mr. Speaker, in rising to take part in the resumption of this debate I want to congratulate most sincerely the two hon. gentlemen who initiated the debate by moving and seconding the address in reply. It is pleasant to welcome these two hon. members to the ranks of those who in past sessions have had the privilege of performing this important duty. I assure both hon. gentlemen that in the opinion of their colleagues in the house they each performed their duties in the highest traditions of this house.

This session opened, Mr. Speaker, under the shadow of very serious events in the international field. The so-called Suez situation is only one of the serious matters of international importance facing the free world today. On the domestic scene there was also the shadow of the stoppage of work on the Canadian Pacific railway. Fortunately the international situation has not developed as adversely as very well might have happened, and while matters of international policy are still of extreme concern we can at least take heart from the fact that since the brief special session of parliament last fall the situation has improved considerably rather than the reverse.

The situation with respect to the Canadian Pacific railway strike is, of course, even more favourable. That strike has become, as the Prime Minister (Mr. St. Laurent) predicted it would become, a part of the industrial history of this country. We are now discussing the traditional address in reply with the more serious aspects of that work stoppage attended to.

The amendment to the address in reply moved by the official opposition calls, I believe, for at least some passing reference, particularly the strange choice of words adopted in framing that amendment. As it appears on page 30 of *Hansard* of January 9, it respectfully represents to His Excellency that his advisers, by reason of their indifference, inertia and lack of leadership in the face of serious national and international problems, have lost the confidence of the house and of the country.

Let us look at the record very briefly to see whether or not hon. members opposite have tried to suggest any real reason why they should select such words as "indifference", "inertia" and "lack of leadership". Take, for example, the question of the Suez problem and the international situation generally.

Has any hon. gentleman opposite suggested that the Canadian representatives at the United Nations showed an indifference to these problems or showed any inertia in dealing with them? Canada's initiative is recognized by every other country in the world, friend or foe, but the official opposition chooses to suggest—contrary to the clear record—that the government has been indifferent and inert.

Only this morning it was said by the hon. member for Vancouver-Quadra (Mr. Green), somewhat in criticism of the government, that at the present time one-fifth of the membership of the United Nations emergency force is made up of Canadian soldiers. I ask the hon. gentleman this question: are those Canadian soldiers there because of indifference and inertia on the part of the Canadian government? I suggest that the opposite is the case. I suggest that the hon. member must be either in favour of the government's

policy or against it. I suggest that a reading of his speech will justify the presumption by the people of Canada that the hon. member for Vancouver-Quadra and the party of which he is a distinguished member in this house are against the present policy of the Canadian government in attempting to participate in United Nations action to maintain peace and order in the Middle East and throughout the world.

Let us now look at the record in so far as the Canadian Pacific Railway strike is concerned. That strike was a matter of tremendous importance to practically every section of this country. It was of importance to business men, to farmers and to all those engaged in productive activity in this country. Have hon. members of the official opposition suggested that there was any inertia or indifference in the government's handling of this problem?

Mr. Montgomery: Yes; they have.

Mr. Hodgson: Yes, indeed.

Mr. Montgomery: There certainly was inertia.

Mr. Hodgson: If the Prime Minister had done in the first place, before the strike happened, the very thing he did in the end there would have been no strike at all.

Mr. Dickey: I am glad to hear the hon. members opposite take that attitude. Let us look at the record. I do not know whether or not hon. members who have been interrupting me believe in the principle of collective bargaining in this country.

Mr. Montgomery: We certainly do.

Mr. Dickey: What happened was that the process of collective bargaining was followed and it was found to be impossible for the two sides to reach a settlement of their differences, even with the active assistance of the Department of Labour and the government represented by the Minister of Trade and Commerce (Mr. Howe). The strike was called and it took place. The government took action to try to get the parties together and to narrow the differences that were separating them. This action was taken in order to get a resumption of railway service under way at the earliest possible date. Do hon. members opposite suggest that the days of conferences and negotiation which brought about a resumption of rail service and a submission of the remaining points of difference to a board of inquiry to be set up by the government came about because of indifference and inertia? If that is so, they certainly are showing a real lack of appreciation of the activities that went on.

The settlement of the differences in so far as they could be settled and the agreement to have the remaining differences submitted to a tribunal for study and report came about solely as a result of the initiative of the Prime Minister. The result that was achieved is a tribute to his understanding of the position of both sides and to his policy of bringing them together and reducing the area of difference to a point where each side could agree upon a cessation of the strike and resumption of rail service on grounds that were satisfactory to each of them. This result will go down in the industrial history of Canada as a great achievement on the part of the Prime Minister and the government, and one which was brought about by hard, patient and excellent work on the part of those who were engaged in the negotiations, including management, labour and government.

One of the extraordinary things about this choice of language—"indifference, inertia and lack of leadership"—is that in fact the only group in this house to which those words can be properly ascribed is the official opposition. The leading members of the other two opposition groups have pointed that fact out to their colleagues in opposition in no uncertain terms. It has not been left to the members on this side of the house to bring this matter to public attention.

The official opposition in this session has clearly shown sings of most marked indifference, inertia and lack of leadership. They have always been waiting for the government to announce its policy with regard to this or that, and then they would say what was in their minds. That was said clearly, Mr. Speaker, by the Leader of the Opposition (Mr. Diefenbaker) both inside and outside of this house with respect to the Canadian Pacific Railway strike. He said: "When the government acts, we will then let our position be known". The government has acted and the strike has come to an end. Has the Leader of the Opposition or any member of the official opposition mentioned that fact since the settlement? Not at all. We and the Canadian people are still completely in the dark as to what the position of the official opposition was with respect to that important matter or what they would or could have done about it.

An excellent example of the attitude that the members of the official opposition are taking is the speech of the hon. member for Broadview (Mr. Hees) in this debate on Thursday. It was the same kind of hodge podge that the hon. member gives to this house whenever he rises in his place to speak. He repeated the old song that he sang so

often inside and outside this house last year, namely that the government was an old and tired gang. As reported at page 340 of *Hansard* he said this:

> It is high time that this old gang this tired, worn-out old gang, this group who are ready to move to that rest home down the hall . . . were permitted to go there; . . .

I would have thought the hon. member for Broadview and his colleagues in the official opposition, in the light of recent history of their party and also in the light of recent events in this house, would have given up that particular line of argument because everyone knows which party has been showing signs of fatigue, being old and tired, and with members who are looking for somewhere else to go.

Now, Mr. Speaker, we in Ottawa have been experiencing over the last 10 days or so very severe winter weather. That has been true of other parts of the country. In my province of Nova Scotia there have been, since the last days of December, a succession of very severe and damaging storms. These storms have interfered with transportation services and have caused great difficulties for a number of people. The portion of the population which has particularly suffered has been the shore fishermen who, in order to carry out their work, have to maintain wharves and fish houses right along the shore and have to keep stored in exposed locations their lobster traps, boats, nets, and other equipment. These storms, most exceptional in their character, have caused a great deal of damage in the fishing villages of Halifax county and other counties along the Atlantic coast of Nova Scotia.

As hon. members know, we in this parliament, as a result of the initiative of the government, have provided means whereby certain of the gear and other accoutrements of the fishermen can be insured against losses of this nature at very favourable rates. Unfortunately many of the fishermen have not taken full advantage of these insurance procedures. In addition the losses which have recently been sustained, particularly in villages such as Prospect and east and west Dover and other villages in Halifax county, have been of such a nature that they would not all have been covered by this insurance in any event. That situation has created a good deal of hardship and a great deal of difficulty for the fishermen who have suffered such severe reverses.

The Department of Public Works which provides public wharves, breakwaters and other facilities for the fishing industry will, of course, study the situation, will repair damage to protective works and wharves wherever public structures have suffered damage and will be prepared to provide wherever possible and where required additional protection, the need for which has been made obvious by these recent storms. The question of some relief or assistance for those who have suffered losses in this connection is a matter which must first of all be dealt with by the provincial authorities. I have received a number of inquiries from interested people in my constituency about this matter. I have had to reply to them that applications for relief or assistance for the repair and replacement of damaged wharves, fish houses, lobster traps and the like must go in the first instance to the provincial authorities. Then, if the provincial authorities find that the amount of damage and its widespread character is such that it is an emergency beyond the capacity of the province to cope with adequately, the province could, if it saw fit, take the step of applying to the federal government for assistance.

The provincial government, having responsibility for property and civil rights within the province, is the sole judge of the extent of damage and the kind of disaster which has taken place. If they, in the exercise of their constitutional responsibilities, find that there is a disaster which requires and justifies national participation then I am sure their official application to the government on that basis would receive consideration on its merits.

That has been the pattern which has been established over the years for dealing with like matters and the normal pattern would, I am sure, be faithfully carried out in this respect.

Turning to something which is a little more hopeful, I wish to make some reference to the extent of winter port activity through the port of Halifax. The expansion of both import and export trade which has gone on under the policies of this government over the past few years has resulted in a very satisfactory and heartening expansion of the trade through the port of Halifax both in summer and in winter. Of course our winter traffic is particularly heavy. This is the season of the year when our facilities are taxed to their utmost. The harbours board and the Department of Transport have over the years taken a great interest in providing as rapidly as they can the facilities which are required in the port of Halifax. We are very happy with the important construction activities which have been going on in the port of Halifax over the years and at the present time. However, one aspect of the provision of facilities which has not kept pace with the expanding business by any means is the grain handling capacity. The

provision of the extra belts for more rapid loading of ships at the grain berths which are now provided is essential. The harbours board had made provision for funds to provide these belts and it had been hoped that they would be in operation for this shipping season. Unfortunately the steel strike and other matters delayed installation of these belts and this has had to be put off until next spring.

I suggest, Mr. Speaker, that consideration should be given and favourable action speedily taken to provide additional grain berths through the construction of new galleries so that there will be at least three additional grain berths available for grain boats entering Halifax during the next winter.

Now, Mr. Speaker, I want to turn to a question which is of considerable interest to Halifax and Dartmouth and one that is of national interest as well. That is the question of housing and the redevelopment of urban areas. The record of house building in Canada since the second world war is, I think, an excellent one indeed. We were faced at the end of the war with a very severe post-war shortage of housing and priority naturally had to be given to the provision as rapidly as possible of new homes to meet the demands of returning servicemen and the demands of the ordinary civilian population who had been forced to put up with shared accommodation and the like during the war years.

In recent weeks there has been some criticism by hon. members opposite on the matter of the provision of housing and the operation of the National Housing Act. I do not quite know how they would expect to have the preceding records of completion that have been made over the past few years continued uninterrupted particularly at a time when the economy of this country is straining in every direction and when it is not to be expected that we can do all the things we want to do or all the things that need to be done at the same time. However, in spite of the suggestions from hon. gentlemen opposite that we are facing an extremely difficult problem in this regard, I am sure that the eventual housing record for this year and succeeding years will be a highly satisfactory and creditable one indeed. In the next year or so we may not make as much progress as we have in the last couple of years in overcoming the backlog, but I am sure we will have almost total success in keeping up with new demands.

I suggest this is a time, Mr. Speaker, when those in charge of our cities and towns should take the opportunity of having a look at the extremely important question of urban redevelopment and renewal; in other words community planning. We have all seen the excellent attractive new sections that have been added both within the borders of our cities and towns and immediately outside of them in post-war years. These have been priority projects because they provided new housing without any complications for the rehousing of people who had already been accommodated, but I feel that now the emphasis should be shifted and under the leadership of the provincial authorities and with the co-operation of the federal authorities the municipal governments should take a very careful look at community planning and should make arrangements to participate to the ultimate of their abilities in redevelopment and rehousing.

The redevelopment of cities is made necessary not only by the houses and other buildings that have been caught up with by deterioriation and obsolescence; I believe we have a tendency to pay too much attention to that side of the problem. The necessity also comes from our requirements to meet new demands that are being made upon the hearts of our urban areas and by the changes and increases in automobile traffic, the growing needs of business and industry and the changing patterns of living within our cities. Private owners in the normal course will make their own individual decisions as to improvement of properties and changes in the use of those properties, but with the changing pattern of life in cities there often arise circumstances where unfavourable conditions in an area or the unfavourable nature of surrounding properties discourage individual initiative and as a result an entire area can be condemned to a gradual and slow process of deterioration until it reaches the ultimate status of a slum. The economic losses to the owners of these properties, the loss of tax revenue and the staggering cost in terms of the waste of human resources which accompanies this result is becoming more and more obvious even in the cities and towns of Canada which are relatively new and which by European standards are certainly very young indeed. The only answer to this problem is action by public authority for the redevelopment of areas which have come to experience this degeneration.

The machinery for this redevelopment exists but I think that too little use of it has been made up until now. The legislation passed by this parliament in this field is far-reaching and I believe it provides excellent means whereby municipal governments can tackle this task with resultant advantage to themselves as municipalities and to the great

benefit of their citizens generally. The obstacles to be overcome are local resistance which arises out of short-sightedness and ideas of false economy. We are all too prone to recognize the immediate expenditures involved in projects of this nature and to lose sight of the very real economic and human benefits that can be achieved over a period of years. The National Housing Act as it was amended at the last session provides first of all for the planning of redevelopment and renewal in any urban area in Canada. Under the act Central Mortgage and Housing Corporation may make grants for the purpose of carrying out surveys of housing conditions and urban studies. These studies may be of a general nature or they may be related to specific conditions or problems. Out of these studies can be produced a basic plan for community development in any municipality.

While there has been a growing interest in redevelopment on the part of the municipalities of Canada, the full advantages available have not been recognized. I am glad to say that Halifax is one Canadian city that has participated in one of these studies which has not yet been completed. The Halifax study which should be completed this spring provides for a survey by Professor Gordon Stevenson of the rehousing requirements of residents of blighted areas which require clearance and the re-use of the cleared lands.

Seventy-five per cent of the estimated cost up to a maximum of $12,000 is borne by this government, with the city being responsible for the remaining 25 per cent.

Mr. Nicholson: What about the provinces? Is there a cost sharing arrangement? Does the province share in the profit?

Mr. Dickey: The province would have no share of the cost, but under this particular study the province could have an important share in the redevelopment and re-use of the land after the site is cleared.

The same type of study is being conducted in Saint John, New Brunswick with a more extensive study being undertaken in Toronto. Two separate studies are being performed in Winnipeg. All of these studies receive similar assistance from this government. A study is also being carried on in Vancouver. I suggest that many other cities and towns in Canada could obtain valuable assistance from studies of this kind and I suggest that they give serious thought to participating in such studies.

While a study of this nature is an essential first step, the real difficulty arises when consideration is given to implementing the recommendations of a study. Action in this connection is provided by the act by way of a partnership between the federal and provincial governments or, alternatively, between the federal government and the municipality with provincial agreement in that kind of arrangement. Under this partnership the federal government may pay one-half of the gross cost of acquiring and clearing the area selected as a result of a study. The land can then be used by the municipality for its highest and best use. That is to say, it can be used for a low-rental project, for medium rental projects, for high rental, for public, commercial or industrial use, or the best combination of them. This is the change in the act which was brought about last year and I believe it makes these redevelopment proposals much more attractive to municipalities. It is a sensible change in that it makes land available for its highest and best use.

Central Mortgage and Housing Corporation can participate in redevelopment under any one of these plans provided for by the act through the joint financing of low-rental housing projects, limited dividend projects and the like. It is also possible that private enterprise can be welcomed to participate in one of these redevelopment plans in an appropriate way.

Redevelopment does not simply mean the demolition and rebuilding of an area. It means first of all the making of a plan, second, the demolition and clearing of the area selected; third, the taking of measures to prevent further blighting of the area and surrounding areas; and, fourth, the re-use of the land for its best use as decided by the municipality.

The advantages of these proposals are well summarized in a study made by the city of Toronto in 1956 of urban renewal. It points out that to the resident the advantages are the removal of overcrowded and unsanitary accommodation and its replacement by a wide range of dwellings in houses and apartments within or beyond the city limits and at prices or rents which are reasonable, or re-housing in the same area.

To the industrialist it provides sites to suit industries that need a central location, with adequate parking and loading facilities, efficient transportation of materials and products and good transit service for employees.

To the businessman it offers commercial districts expanded at logical locations, with ample parking facilities laid out for customers', clients', and office workers' convenience.

To the individual affected it offers areas where clearance and rebuilding or improvement projects are sponsored by the city, equitable treatment and fair prices to property owners.

Then to the city council and all citizens it offers economy through the re-use of valuable but blighted areas, with an orderly plan of civic spending.

I have just caught your eye, Mr. Speaker, and I realize that my time is up. I want to conclude by saying that I hope the city of Halifax will take advantage of this study which I have mentioned and go forward to a sensible project for the re-use of land which may be selected by the city. I hope the town of Dartmouth and other cities and towns right across Canada will take advantage of these facilities for civic improvement.

Mr. J. A. MacLean (Queens): Mr. Speaker, as I rise at this time to take part in the debate on the subamendment now before the house I should like to call your attention to a paragraph which appears in the speech from the throne and which reads:

> Excellent progress is being made in our national economic development. Expansion is evident in every part of Canada. Rapid strides are being made in opening up and utilizing our natural resources and in our industrial and urban growth. Employment has reached unprecedented levels. Once again we have been blessed with good crops. External trade was considerably greater last year than during any previous year. Canadians in almost every part of the country have been enjoying the benefits of this invigorating economic climate.

The only trouble is that anyone living in the maritimes would not recognize that as an outline of the economic situation in the part of the country in which he is living. As a matter of fact when I read it I was almost led to believe that somewhere in the government there must be an official of the type that used to exist in czarist Russia and whose job it was to go in advance when the czar was making a trip to brighten up the villages along the route so that the czar would be led to believe that everything was fine in his kingdom. In this case it is not the monarch who is being fooled; if anyone is being fooled it is the general public.

At best there appears to be a lack of understanding of the situation in which the four Atlantic provinces find themselves. At the very worst it may be that the government has concluded that the voice of the maritimes in the affairs of the nation has decreased to a low point and that politically the Atlantic provinces are no longer important and no government needs to seek their support. Reading this over I notice that the only reference in which they indicate that every prospect is not rosy is where they say: "Canadians in almost every part of the country have been enjoying the benefits of this invigorating economic climate." It is the one word "almost". Ten per cent of our population and four of our provinces have been passed over with that reference—"almost".

[Mr. Dickey.]

Fortunately, Mr. Speaker, further on in the speech from the throne this statement is found:

> The preliminary report of the royal commission on economic prospects has been received and will shortly be laid before you.

As hon. members know, we now have this preliminary report and I would like to refer to it briefly. I think the report of the Gordon commission will serve a very useful purpose in focussing the attention of, I hope, all the Canadian people on the urgent need for a complete new deal for the Atlantic provinces. In this connection I would like to congratulate the hon. member for Inverness-Richmond (Mr. MacEachen) on the very excellent and astute observations he made with regard to this subject during the course of his speech in this debate a few days ago. My nature is to be generous and I regret, therefore, that my generosity cannot be strained to the point of congratulating the hon. member who has just taken his seat (Mr. Dickey) with regard to his references to the Gordon commission and the plight of the maritimes generally. I regret that shortness of time did not allow him to reach that point: I expect he would have done so had he not reached the limit of the period allotted to him.

When the Atlantic provinces entered confederation they entered it in the belief that they would retain most of the many benefits which they had already built up for themselves as colonies. They were led to believe that in addition the colonies, by uniting together, would receive further mutual benefits. One of the chief advantages which were to accrue from confederation was the greater ease of defence of British North America. They were also led to believe that the larger unit would prove to be a more efficient economy, providing a higher standard of living for all its members.

What did the Atlantic provinces find on entering confederation—when it was too late? They found that tariffs for the whole country seemed to be set with only rare consideration for the effect such tariffs would have on the Atlantic provinces. As a result the Atlantic provinces found that their normal channels of trade north and south had virtually been completely cut off and that their trade and commerce had been forced into an unnatural channel east and west.

Mr. Pickersgill: Is the hon. gentleman speaking for the hon. member for Broadview (Mr. Hees)?

Mr. MacLean: No, I am speaking for myself and the people I represent. The hon. member for Broadview is quite able to represent his own constituency.

Mr. Harris: I was asked about inconsistency this morning.

Mr. Montgomery: You don't have to go further than your own government to find it.

Mr. MacLean: The Atlantic provinces, after entering confederation, find that the cost of transportation services from and to markets in central Canada from which they were supposed to benefit has become so prohibitively high that most of the industries of the maritimes are unable to carry the load.

Incidentally, when this family got together the maritime provinces were astonished to find that one of the ambitions of the two biggest members of the family was, shortly afterwards, to make vast land grabs from the rich northern lands, acquisitions which were bought and paid for by all the members of the family, without making any reasonable compensation in respect of the maritimes' share of those lands. I was astonished to find, sometime ago, that since confederation—since the time when Upper and Lower Canada—New Brunswick and Nova Scotia joined this partnership,—Quebec and Ontario have taken unto themselves a land mass greater in extent than all the territory in eastern Europe which came into Russian hands during and after the second world war. Of course I am not suggesting for one moment that the two situations are comparable. Nevertheless, it is a fact that this great territory containing many rich natural resources has contributed greatly to the wealth of the provinces concerned since it has been taken over, while the increasing population accruing to the provinces concerned has also given them a much greater voice in the affairs of the nation.

It should be remembered that at the time of confederation the Atlantic provinces were perhaps the most prosperous of any in British North America. Their population was growing, their industries were multiplying and their influence increasing. Since that time, however, the progress they were making has not continued. If one were to construct a graph of almost any activity in the maritimes—industrial production, trade, increase of population or anything else—one would find that there had been a sharp falling off after confederation.

Mr. Speaker, I see it is one o'clock.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. MacLean: Mr. Speaker, when proceedings were interrupted for lunch at one o'clock I was pointing out that the economy of the maritimes before confederation had been improving constantly and that in almost all fields there was a marked falling off in these activities coincidental with confederation. In another regard the maritime provinces find themselves in a less advantageous position, and increasingly so as the years go by. I refer to the weight of their voice in the affairs of the nation. At the time of confederation the maritime provinces were represented in this chamber by 43 members out of a total of 206, or more than 20 per cent of the total. At the present time these same three provinces are represented by 26 members out of a total membership of 265 or just under 10 per cent. The political influence of the maritime provinces has, therefore, declined more than half from what it was at the time of confederation.

The Gordon commission studied carefully, I think, conditions as they found them in the maritimes and have made a fairly objective report on what they discovered. To my way of thinking the report is not intended to be a forecast of what the potentialities of the maritimes are in reality but rather an observation on the facts as they are and have been over the last number of years. They project that state of affairs into the future pointing out the conditions that the maritime provinces may find themselves faced with by 1980, and their forecast is a gloomy one indeed.

It is not, as I said, a forecast of our real potentialities but rather a matter of pointing out and turning the spotlight on the neglect which the maritime provinces have suffered at the hand of every government since confederation in varying degree. I do not suggest that the ills we find ourselves undergoing at the present time are solely the responsibility of the present government. That is not the case. But nevertheless the fact cannot be denied that here and now this government is responsible and has been responsible for more than 20 years. They will be responsible for a few more months at least. Time is running out both for the economy of the maritime provinces and for the government. I believe the people of the maritime provinces are rapidly realizing that it is not in their interests to support continuously any government of any party that persists in ignoring the problems of the maritimes which are for the most part artificial ones and in my opinion almost wholly curable.

We in the maritimes think it is only fair to expect that certain things should be done and done promptly. We feel we should demand that they be done at the earliest possible moment. One injustice from which

the maritime provinces are suffering at the present time arises from the fact that the benefits to which they were entitled under the Maritime Freight Rates Act have been almost entirely nullified by the horizontal increases in freight rates which have taken place over the years. It is essential that the government take action immediately to amend the Martime Freight Rates Act to restore the benefits which the act originally contained.

We also feel that consideration should be given immediately and action taken to correct some of the injustices we are suffering as the result of the Canadian tariff at the present time. In this connection the Gordon commission recommends that the tariff should be studied continuously and adjustments made as circumstances require. To quote briefly, they say as found at page 73 of their report:

> In fact we would advocate a continuing re-examination of the tariff having in mind continually changing industrial conditions, products and technology.

In that regard there is an anomaly in the tariff structure which is of vital interest to the maritime provinces, especially Prince Edward Island and New Brunswick. I refer to the tariff on potatoes entering the United States from Canada and the tariff on United States potatoes entering Canada. When the present tariff was set up the tariff on United States potatoes was pretty much an academic question because in those days the trade was almost entirely from north to south. But now the situation has changed and we find a condition under which maritime potatoes have to find markets in the United States over a tariff of 35 cents a hundred-weight, and that on a quota. When the quota is reached the duty is doubled on any potatoes allowed to enter that country. On the other hand, United States potatoes come into Canada duty free except during six weeks each year. That is a situation which should, I strongly believe, be rectified immediately.

I have made a few suggestions and I intend to make more. In my opinion encouragement should be given to the fishing industry in the maritime provinces. Medical research at the present time seems to indicate that marine foods have a beneficial effect on one's diet, especially in relation to certain degenerative diseases, including heart disease. If it should be proven that this is an actual fact, it would be an opportunity for great stimulation of the fisheries so that the people of the country would have the benefit of including a greater amount of the products of the sea in their diets to the advantage not only of the fishing industry but of the health of the Canadian people as well.

Again, in this country there is a continual process of cannibalization of small industries by larger industries. We in the maritimes suffer especially from this procedure whereby large corporations buy out small competitors for the express purpose of closing them down. That is a process from which we in the maritimes have suffered for years. We have very few large corporations which are in a position to turn the tables on their competitors in the rest of Canada. I believe that a study of the situation should be made with the idea of finding means of preventing this procedure which I think runs contrary to our belief in free competition and free enterprise. For the most part these industries that have been bought up in the maritimes and closed down are, for their own size and their own area, healthy businesses which would continue to grow indefinitely if merely left to themselves to do so.

I also think that greater attention should be given to finding markets for the products of the maritimes, especially markets in other parts of the world. We are by nature a marine people. Before confederation we were an important marine area, taking an important part in the shipping business of the world. This business disappeared completely. But if markets were found in other parts of the world for more of our maritime products, this action might not only stimulate the business of the maritimes but it might create a new industry, that of the merchant marine again, for maritime enterprise.

These are modest requests. I sincerely believe that all reasonable Canadians would think that they are not extravagant, especially if they had the opportunity of going to the maritimes and seeing the situation for themselves. I should like to think that every member of this house, in the course of a parliament, would take the opportunity of travelling as widely as possible in this country so that he might see for himself the problems that face certain segments of our economy. I think that statement is applicable to all members. I should like to see a member from Newfoundland take the opportunity of coming to Ottawa via the Yukon on some occasions, and vice versa.

The Gordon commission has done great service to the maritimes in pointing out the difficulties under which we labour. It makes a great number of what I consider to be sound recommendations in many other fields to which I do not wish to refer specifically at the present time. But I believe it has done a disservice to the maritimes—the four Atlantic provinces—in that it grossly underestimates the potential of that area.

We have great possibilities in the Atlantic provinces. We have great mineral wealth which has not yet been exploited or explored.

It must be realized that the Atlantic provinces include not only the three maritime provinces but Newfoundland and Labrador as well. We have great reserves of coal. We have a good climate most of the time. There is a possibility—though it is only a possibility—that oil may be discovered in the maritimes in the near future. We have a fisheries industry that could be greatly expanded under favourable conditions. We are a "natural" as far as merchant shipping is concerned. Our agricultural potential has not been exploited to the extent of half of its possibilities. The agricultural production of the maritimes could be at least doubled merely by increasing production under favourable marketing conditions which would allow farmers to operate in a more efficient manner, giving them the funds wherewith they could further mechanize their operations and buy an optimum amount of commercial fertilizer and other such things.

We have still a considerable potential of hydroelectric power which might be developed. There again Newfoundland and Labrador should not be forgotten. There is also a possibility of generating electric power from the tides, as has already been done in France. In the maritimes the tides are even higher than they are in the part of France where this development is under way.

To maritimers it would seem reasonable that a greater percentage of the iron ore from Labrador should be processed in Sydney rather than in Pittsburgh. We feel that there is a future for heavy industry in the maritimes. We know that many European countries which are well managed and which have less in the way of resources than have we enjoy at least as high a standard of living as and, in many regards, a much higher standard of living than that which now exists in the maritime provinces.

We have an integrated population. We have a tradition of higher education. We have built up a culture which is peculiar to ourselves and of which we are extremely proud. It is a culture that we in the maritimes feel that the rest of Canada cannot obtain even for $100 million.

It seems to me that we have two choices. We can either bring our needs to the attention of the government so forcibly that they will be no longer neglected or we can go on unquestioningly and everlastingly supporting this government. If we do that, I should like to warn that we might get to the place—although I do not believe so—where the only thing we could look forward to would be a one-way ticket from the maritimes to some other part of Canada. In that connection I should like to warn that only a very few maritimers receiving such free transportation would find that their destination was the red chamber.

This government has been proud of the record it has set in many matters. I should like to point out that in the last year and a half it has created a new record. It has exceeded Rip Van Winkle's record by about a year and a half. It seems completely oblivious of the problems under which we in the maritimes are labouring.

I feel strongly that we have a great future if given the opportunity, and I think all maritimers and Newfoundlanders will agree with me in that sentiment. We may realize that future even in spite of present government policies if they are not rectified. We are trying our best to lift ourselves up by the bootstraps by such endeavours as APEC, the Atlantic Provinces Economic Council. But if these conditions are not rectified and if we fail, there may come a time when we must resort to the suggestion that is often hinted at by the premier of Newfoundland, namely that we might consider secession from the union.

Mr. Pickersgill: Rubbish.

Mr. MacLean: I do not think that time will ever come. I have enough faith in the maritimes and in the Atlantic provinces to believe that we have a great future and that we shall realize that future. But the task will be much easier if we are given reasonable assistance by this government, if our problems are recognized as problems which concern the nation as a whole and if it is recognized that our demands are reasonable ones. If that is done I see for the maritimers a great future, a future which will accommodate the natural increase in our population, a future which will give us a standard of living comparable to the rest of Canada.

In closing I remind you, Mr. Speaker, and through you the government, that we in the maritimes feel that we have built up our own way of life which economic conditions should not be allowed to destroy. We do not wish to emigrate again.

Mr. Alan Macnaughton (Mount Royal): Mr. Speaker, in the tradition of this house I would like to congratulate the mover (Mr. Hanna) and the seconder (Mr. Robichaud) of the address in reply to the speech from the throne.

May I take this opportunity of extending congratulations to the hon. member for Prince Albert (Mr. Diefenbaker) both on his appointment as leader of the opposition and on his election as chief of the Conservative party. Long may he reign in those two respective capacities.

I have had, Mr. Speaker, the advantage of hearing and reading several of the interesting addresses from different members of the house on the subject of foreign affairs. I thought this afternoon I might advance a few ideas on that subject.

Last September I had the opportunity of visiting Europe and a few countries therein, in particular Greece and Israel. On another occasion I should like to discuss Greece and the Cyprus problem.

I admit that a short visit does not make one an expert, but at least it does indicate interest in the Middle East.

Today I would like to make a few remarks about the commonwealth and its relations, the question of the Middle East, and to advance certain considerations which I think may properly be reconsidered when we are talking about a solution for the Middle East and its problems.

The crisis in world affairs has been a long time in the making. The breakup of the nineteenth century followed the great events of the first world war and the Russian revolution. I think it is fair to say that since these two events we can hardly say we have had the advantage of peace because from these experiences have come two grave issues. The first is the rise of nationalism in the Afro-Asian world; the second, I think, is the rejection of leadership by the white and by the western nations which have up until now played a great stabilizing role in that area.

New political systems are replacing old. Certainly among the most important, on the one hand, we have the Soviet union, China and its satellites; on the other hand, the American-Anglo-French alliance. But during all these vast changes throughout the past 50 years it seems to me the most important and the most interesting thing to note is the emergence of the commonwealth as we know it today. The commonwealth as we know it today is unique because it alone bridges the gulf between the old empires of the west and the new nationalisms of the east. It is also unique because it has brought together in a form of unity the whites and those whom we like to call non-whites. Indians, Pakistanis, Australians and Canadians find the commonwealth a remarkable instrument for maintaining intimate relations that the normal contact with nations might not provide.

It seems to me that the Canadian contribution to the growth of the commonwealth has been pre-eminent. Indeed we could argue that if the commonwealth is preserved today as a continuing political fact it is because Canadian leaders in the past 50 years have been working towards greater and greater national independence from imperial decisions. There might have been no commonwealth in 1956 if those great ex-prime ministers, such as the Right Hon. Sir Robert Borden, leader of the Conservative party during his time, and the late prime minister Mackenzie King, leader of the Liberal party during his time, and other leaders of Canadian political parties had not realized that the success of the commonwealth depended upon obtaining the right to decide questions for ourselves. Had we adopted the extreme Conservative viewpoint of imperial relations, about which we hear so much today, there might not have been a commonwealth today.

In that connection it seems to me also that Liberal policy may be expressed in the fact that it reflects the day to day changes in the world and could be put in these words: that the members of the commonwealth desired in modern terms to maintain unity without subordination and co-ordination only by consent and in association under the crown. Again I say that the extreme Conservative doctrine of commonwealth relations would ultimately defeat itself. Such arguments might have won a debate only to have lost a system.

What bearing does all this have on recent events in the Middle East? I think it means that Canadians find themselves in the present-day world subject to pressures from many different directions, such as the cold war, commonwealth loyalties and interests, relations with the United States, the security system of NATO and, let us face it, an over-all interest in human welfare.

All these things make Canadians think of their place in the world and of their obligations to other states. It is because these influences are so complex that no single explanation can describe the important decision we took a few weeks ago. To be definite, we abstained from the resolution demanding British and French withdrawal from the Suez because we felt that we had to state a moral position with respect to Anglo-French action, while at the same time we did not and could not condemn a fellow member of the commonwealth for actions which were the result of deep and understandable provocation.

Moreover, Canadian initiative in helping to establish the United Nations emergency force provided a timely face-saving device by which the United Kingdom and France were able to change their minds at the very moment that the United Nations offered some machinery to help resolve the problem that gave rise to the action in the first place.

To say that Canada was anti-British in those critical days is either naïve or perverse, because as a result of Canada's action we

now have the moral and political right to ask those states, which regard the Anglo-French action as tragic, to accept our plan for an emergency force along with its objectives.

I will accept the interpretation of the Secretary of State for External Affairs (Mr. Pearson) when he says there was a moment in November when the differences between certain members of the commonwealth and the United Kingdom were so grave as to bring the commonwealth into some kind of short-run jeopardy.

Mr. Churchill: Nonsense.

Mr. Macnaughton: At the same time I should say I have always considered the commonwealth sufficiently elastic to suffer shocks of this magnitude and even greater. The commonwealth could not be great if it could not sustain great troubles.

I should like to spend a moment, with your permission, on the Israeli action in the Sinai peninsula and consider possible future solutions of the Suez trouble and the trouble with Israel-Egypt and the other Arab states.

Perhaps at this time a word of history might be of use. Israel came into being in 1948. The British government withdrew as a mandatory power at that time. The existing population consisting of Jews and Arabs in Palestine, upon the withdrawal of the British mandate, had to determine what form of jurisdiction would persist. The 1947 resolution of the United Nations in effect proposed partition into two sections, a section with a Jewish majority and a section with an Arab majority. The Arabs rejected in toto this idea of partition. On May 14, 1948 the British withdrew and on May 15 the state of Israel was declared by the Jews residing in that section of Palestine.

I do not think any serious person will deny that the Jews of Palestine could not sit idly by in the face of the fact that the Arabs would not tolerate the creation of the Jewish state. Israel was declared a state in 1948 and the result has been that since that time a state of war existed during 1948 and 1949 until the armistice agreements were signed with Israel by all the Arab nations, with the exception of Iraq. From these events has devolved a long train of contention in Arab-Israeli relations since 1949.

On the human side of this situation there are tragic consequences. We have the flight of the Arab refugees, and since that question alone remains the largest single difficulty in the way of settlement between the Arab states and Israel perhaps you would allow me to spend a few moments on it. The record shows that in 1948 there were 800,000 Arabs living in Palestine. At the time of the creation of the new state of Israel there remained 200,000 Arabs; 650,000 Arabs left Palestine, or the state of Israel as we know it today, and became so-called refugees in the Gaza strip, in Jordan, Syria and Lebanon. I think we should ask the question why these Arabs left. The evidence is there to show that the Israeli authorities urged them to stay and as a matter of fact there are 213,000 Arabs inside the state of Israel at the present time who "never had it so good." In other words, 25 per cent, in effect, did stay within the state. The others were induced to leave by the fear of war, by panic, by propaganda and by the promises of the Arab leaders themselves in the different Arab states that if they would leave the state of Israel for a matter of two weeks it would be only a short time until the Israeli were thrown into the sea, and that after that had taken place the Arab refugees could then return and take over their lands and properties. In fact, their leaders said, "Flee for your lives and return as victors". Unfortunately for the refugees that did not happen, and far from being defeated, the Israeli defeated the Arab states. One strip which was not captured at the time of the signing of the armistice was the Gaza strip and this marked the beginning of the creation of this problem.

Since 1948 all the inducements of Great Britain, France and the United States to resettle these Arab refugees have amounted to nothing; all the funds which have been raised by way of capital grants to assist in the resettlement, restoration and rehabilitation of these refugees have amounted to nothing. Only the United Nations relief organizations have been of material help in maintaining the existence of these poor people. In the last seven years the Arab refugees have continually insisted on returning to that section of the Middle East heretofore called Palestine, but we are apt to forget that during the past seven years Israel has taken within its borders over 800,000 Jewish refugees who left everything behind them including their assets and property and came penniless to the new state. Israel on more than one occasion has declared for compensation and the resettlement of these refugees. It would appear that the Arabs refused because so long as the refugees are unabsorbed they remain a political leverage to gain the sympathy of the world and a means of preventing peace with Israel.

I would like to deal briefly with Israel's action in the Sinai peninsula two months ago. I think it is public knowledge that for the last seven years there have been a series of

raids, reprisals, killings, propaganda statements and counter-statements. Although I do not wish to sit in judgment on either side I believe there are certain facts which should be brought to the attention of the house. These facts, I admit, are advanced by the Israelis and they carry considerable weight with me.

In the first place the Arab states have been preparing for the day when they could jointly destroy Israel and throw its people into the sea. The evidence for this is to be found in the radio broadcasts and in the book recently published by Nasser himself. In the second place, during the month of September 1955 we in this country heard of the sale of large quantities of arms by the Soviet union to Egypt, obviously for use against the state of Israel. In 1956 we saw the decline of British power and influence in the state of Jordan with the expulsion of Glubb Pasha, and I may say in passing that Glubb Pasha did his best to keep a state of peace existing between the state of Jordan and the state of Israel. Nasser's subsequent success in creating a unified military command along with Egypt, Jordan, Syria and Lebanon, thereby hemming in Israel with the object of destroying Israel, has created great concern in that area. We will recall that the difficulty of the Israeli government in securing arms to counteract the weight of Soviet gifts and sales of arms to Egypt and Syria was another source of discord. And last but not least, the training by ex-Nazi and Soviet advisers in the art of massacre and annihilation pushed matters forward to such an extent that Israeli statesmen had to take a definite step.

I ask the question, therefore, what should a responsible Israeli statesman have done in the face of the open threats that had been made by every Arab leader over a period of years and that were now backed up by Soviet arms and by a new Egyptian-Jordanian-Syrian joint command?

The Egyptians have openly stated that the armistice agreement of 1948 did not end the state of war. On these grounds the Egyptians barred Israeli ships from the Suez canal and fortified the straits of Aqaba to prevent Israeli ships reaching its only port on the Red sea, namely Elath.

In that connection it might be of interest to examine the legality of Egypt's possession of the islands at the entrance to the Red sea. I think you will find they were leased by Saudi-Arabia to Egypt and the legal title of Saudi-Arabia to them is open to serious doubt.

All of these facts are public knowledge and I do not need to repeat them in order to make my point. Again I would ask the question, what should Israel have done? She is the only state in the Middle East unable to get a treaty of friendship and alliance with any great power. She has good friends, but in the game of power politics neither the United Nations nor the great powers are ready to apply measures for the protection of Israel's security.

It seems to me that these are some of the reasons why Israel moved into Sinai during October last. I think it is axiomatic that no prospective victim, whether an individual or a state, need sit and wait until the enemy is upon him.

It is not worth winning the sympathy of the world by an act of extreme forbearance at the risk of losing your life. It seems to me that this is an act which reasonable men under similar circumstances would have committed.

All of this is now past history and we have practical problems to solve. We must help to solve them as Canadians, as members of the United Nations, as the senior partner in the commonwealth and as a friend of the United States.

Already we have made a major contribution in the leadership of a program to establish and to operate the United Nations emergency force. Our view of that force, as expressed by the Secretary of State for External Affairs (Mr. Pearson), a view that appears in the November 2 resolution of the general assembly, is that the cease fire would be accompanied by a program of settlement.

Perhaps I might digress for just a moment. It seems to me that the problem in the Middle East is this: First, we had to stop the fighting; second, we have to clear the Suez; third, we have to bring a solution to the over-all general problems. We have stopped the fighting and I hope we are in the process of clearing the Suez although I have grave doubts about it.

But the third sphere of influence still persists, the need of an over-all settlement. I do not see how you can divide these three sections; they have to be taken together. If there is no over-all settlement negotiated, and I submit this will be difficult, it must be imposed by the great powers. Without an over-all settlement, anything else that we might do would not amount to very much.

Any other conception of United Nations activity would, it seems to me, be hard to accept. As a Canadian I could not tolerate the tragic humiliation of Anglo-French power and interests unless there were a lasting compensation of satisfaction for their vital interests in that area, namely some suitable machinery to protect the Suez from unilateral Egyptian control, and reasonable assurance

that British and western interests in the Persian gulf are not going to be the subject of perpetual Arab cold and hot warfare.

Equally it would be a sad day for Canadian responsibility for the emergency force if its tasks were over the moment the Israeli were thrown back to the 1949 armistice line. This could never have been the intention of wiser heads in the general assembly. It must have been foreseen at that time that the status quo which caused all these troubles could never be reasserted and that instead some new ideas must be accepted by the assembly and supported by the great powers to bring a lasting peace with justice to all peoples in that region.

Mr. Churchill: Does not the resolution most recently passed by the United Nations restore the status quo by urging the army of Israel to withdraw from the Gaza strip?

Mr. Macnaughton: I only know what I have read in the reports in the press as of Saturday and this morning. I have not had an opportunity to see the actual resolution and decide whether it does or does not. My position is that there can be no settlement of the Middle East situation until the great powers enforce an over-all solution. They have the power to do it and I think the time has come for them to do it. As you probably know, at the United Nations 5 per cent for it is better than no per cent at all.

It is true that long-term settlements are difficult to plan and envisage, but there are some very important and immediate problems with which it seems to me the United Nations and the great powers should deal in relation to Israel, Egypt and the Arab states. I should like to list these for analysis.

I maintain that the necessity for the recognition of Israel as a state and working part of the Middle East should now be decided. I maintain that we must give recognition to the state of Israel and remove therefrom the threats to her security. By that I mean the elimination of border raids, the stopping or calling off of the economic blockade by the Arab states, the refusal of passage to Israeli ships through the Suez and a guarantee of open access through the Red sea and the gulf of Aqaba.

Since so much contention surrounds the future of the Gaza strip I maintain that it should not be returned to Egypt. It never was a part of Egyptian sovereignty. It points at the heart of Israel and in the past has been the location of raids against that country. It forms no part of the Egyptian economy and it is not needed for the security of Egypt.

I maintain also that the refugee problem should be broached in the spirit of constructive statesmanship. The cost of resettlement of those refugees in the Gaza strip and in other Arab states could be shared by the United Nations and the great powers as well as by Israel itself. There is plenty of land in the surrounding Arab states, as a short visit to the area would indicate clearly, on which these refugees could be settled to their benefit as well as the future benefit of the countries in which they are settled.

There is another point of important economic consequence and I refer of course to the Johnston plan for the settlement of the Jordanian water dispute. It is hard for us who live in a country like Canada to realize the importance of water to other countries. Water is the lifeblood of the economy of this area. Water is going to waste in the Jordan river and the Jordan lakes because of a refusal to use it and distribute it among the countries that need it. There is no reason why a settlement of the Jordanian water dispute, which is so important to Israel and Jordan, should not be included in an over-all settlement.

This is a time of trouble not only for the Arabs but for all of us. The Middle East is caught in serious pressure moves and plays which makes it all the more important for the United Nations and countries with experience in the Middle East to urge the Arab people to consider their long-range needs and the great burdens they bear, by refusing to use their energies to resolve their real problems, rather than to dissipate their energies in hatred of a neighbouring state.

Israel can offer a great deal to its neighbours in the way of technical skill, idealism and standards of public responsibility. The Arab nations can offer Israel a sense of kinship with the Middle East, for after all the Jewish people have been in existence for some 5,000 years and originally came from that part of the world. The Arab nations can offer Israel a market for its products and they can also contribute part of their culture from the Levant to the culture which is rapidly rising in the new Hebrew society.

In the Middle East the level of economic development is far behind the rate required for adequate living standards for the majority of the people. A regional capital and technical assistance plan would be a contribution of the first magnitude to the development of stability in the Middle East. I am sure that Israel could contribute to this plan its share by way of brains, experience and devotion which would form a counterpart to the capital to be provided by the western and other nations of the United Nations.

Some students of the British mandate and its future in Palestine had hoped that one day

British Palestine would form another dominion in our commonwealth.

I think it is obvious that this hope is now gone, but this does not mean that the commonwealth should now abandon Israel.

Canada, as the senior partner in that commonwealth, may find itself performing a great historic function in its present role of influence between Israel and her Arab neighbours—a function that could bring deep and lasting benefit not only to Israel but to the Middle East and to all mankind.

Mr. H. R. Argue (Assiniboia): First of all, Mr. Speaker, I wish to deal with some urgent problems which face a great many citizens of Canada at this time. A little later, I wish to make some references affecting the Minister of Agriculture (Mr. Gardiner) and the Prime Minister (Mr. St. Laurent). It seems to me that at this time the parliament of Canada should initiate legislation to increase old age pensions, to increase the family allowances, to provide for a system of health insurance for Canadians, to provide legislation to improve the position of veterans in this country, to provide legislation to enable the municipalities to discharge their important responsibilities, and to provide legislation which would enable the agriculture industry to share in the great wealth that is being produced in this nation.

Mr. McIvor: And reduce taxes.

Mr. Argue: There can be no question but that Canada today is producing tremendous wealth. The gross national product, which stood at some $12 billion in 1946, had increased to nearly $30 billion by 1956, an increase of roughly two and a half times in ten years. In the light of this tremendous production of wealth it seems to me that the government should no longer hesitate to provide legislation such as would enable all Canadians to share in this production.

We already have some important social security legislation on the statute books of this nation. A Liberal government has been in power for many years and it has been the lot of the Liberal government to introduce such legislation as old age pensions, family allowances, grants to hospitals, legislation to continue the Canadian wheat board and so on, and I give the government every credit that is due to it for having presented such legislation to the House of Commons. To the extent that the Liberal party can take credit for these measures I give them credit too, but I feel that members of the C.C.F. party have also over many years played an important part pioneering in this field and in building up public opinion to demand such legislation. The government, while presenting legislation at different times to improve the lot of certain Canadians, has, I am afraid, not been doing so primarily with the object of helping the people affected. The overriding consideration which guides the Liberal party today is to do those things that it hopes will bring votes when election day comes around; anything that may be done to help the old age pensioners or improve family allowances or assist in any of these important matters is done as a secondary consideration. I think this contention can readily be proved.

The last time old age pensions were increased in this country was in April 1949 when they were increased to the present figure of $40 a month. Since 1949, inflation and the ever-increasing cost of living have taken away a substantial part of the pension in terms of the 1949 dollar. What has happened to the old age pension because of inflation, because of policies followed by this government, has happened to the family allowance legislation. I believe the Family Allowances Act is one of the best pieces of legislation that has been placed on the statute books of this country. But every month since that legislation came into effect the government has stood idly by while inflation, the rising cost of living, has eaten away a considerable part of the purchasing power of that allowance until today the purchasing power of the allowance cheque is probably 40 per cent less than it was in 1944 when the act was first brought in. Thus the government, while bringing forward legislation from time to time to help certain people of this country, has stood aside while inflation, like a thief in the night, has robbed them of something that should be there and which should be protected. The very government that brought in family allowance legislation has demonstrated to the people of Canada since 1944 that its overriding purpose, its guiding purpose, at that time was not to help Canadian families—though it did do that—but to endeavour to win the 1945 election.

They won that election, albeit by a very narrow margin, since when the government has been content not only to do nothing about improving the family allowances but to allow them to deteriorate and wither away.

Today there is a great deal of talk about a health program. Well, talk of a health program is no novelty in the Liberal party. They have been talking about it in this country since 1919 and since that time successive Liberal governments have used the hope of a health insurance plan as a means of garnering votes. But they have so far done very little about it, and today parliament is in an unhappy position because of the

government's policy. The government has said to Premier Frost of Ontario: "We are voluntarily giving you the power of veto; we are giving you the power to prevent Canadians in other provinces getting a health insurance plan because we will not give the plan to Saskatchewan, Alberta and British Columbia until Ontario and some other provinces agree to come in." The conclusion seems unavoidable that there seems little hope at this moment of any provincial Liberal government in this country agreeing to participate in this plan. If and when the people of Canada ever have a health insurance program it will only be because public opinion has put pressure on the Liberal party both here in the federal parliament and in the various provinces to agree at long last to do something about their promises and pledges of 1919.

We hear a lot of talk about an election now. The Minister of Finance (Mr. Harris) announced this morning that the election would definitely be held this year and that his budget will be brought in, he expects, just before the dissolution. It seems to me, Mr. Speaker, that the government is mentioning dissolution from time to time and the possibility of an election at an early date for one main reason—to condition the mass of Canadians to the prospect of an early election, because this government is just as fearful of an election campaign today as it has been in past election years. They would like to have an election date early so that the rural constituencies, who are important in numbers even if they are no longer considered by the government to be important economically, will not have a chance to participate by way of attending public meetings and taking a full part in the election —an opportunity which would be open to them if the election were held at a more convenient time.

So the government is hoping now, with public opinion running against it, to sandwich in an election at an early date in order that opposition parties generally will not have the advantage of a strenuous campaign during which they could take the issues adequately before the public in the constituencies to which I have referred.

The government is apparently doing nothing or very little to solve the problems affecting municipalities. As a matter of fact, the general policies of the government are designed to make it harder for municipal governments to provide adequate services. Municipalities find it more difficult now to finance the construction of public buildings and streets and providing sewer and water works. Almost weekly the cost of financing municipal ventures goes up. The government's so-called tight money policy is a policy that is hurting the ordinary Canadian. It is hurting the municipalities, it is hurting the people who want to build homes, but it is not hurting the great corporations of this country that have adequate finances within their corporations to undertake most of their capital expenditures or which are in a monopoly position and are able to pass on to the consumer through higher retail prices any additional cost that may now be entailed in financing capital expenditures.

I submit that the Liberal party by its record is no longer a liberal party. It is a party of the status quo. It is a party of vested interests. It is a party which gives something to the ordinary Canadian most reluctantly. It amuses me when Liberal speakers get up and embrace the C.C.F. Winnipeg declaration of principles adopted at our national convention last year and assert that the C.C.F. has abandoned its principles and has become a liberal party. I venture to say that not a single Liberal member who has made such a statement has read the Winnipeg declaration because in it they will find the greatest castigation possible of the Liberal party and the policies it follows. I quote one short paragraph from page 1:

> In spite of great economic expansion, large sections of our people do not benefit adequately from the increased wealth produced. Greater wealth and economic power continue to be concentrated in the hands of a relatively few private corporations.

Listen to this.

> The gap between those at the bottom and those at the top of the economic scale has widened.

It is interesting to hear Liberal members stand up and agree that their policies have been such a dismal failure and that the gap between the people at the bottom of the ladder and those at the top is widening at this time.

There is a whole industry in this nation that is sick and almost in danger of dying because of the policies followed at times by the government and because at other times of lack of policies and adequate action. I refer, of course, to the agricultural industry. It is true there has been some improvement in recent months. It is true that recently there has been some increase in farm cash income. That increase has been brought about mainly because of increased exports of grain. But before hon. members opposite conclude too hastily that all is well with the agricultural industry, I suggest that they read the statements being made by prominent agricultural people, people associated with the farmers' union, the interprovincial farm union council and the wheat pool organization. I

should like them to read some of the statements made recently by J. H. Wesson, president of the Saskatchewan wheat pool. In such statements they will find that agricultural leaders across the nation are more concerned with the plight of the agricultural industry at this time than they have ever been at any time since the end of the war, and well they might be.

I have here the *Economic Annalist* published by the marketing service of the Department of Agriculture. It takes as the base period for the cost of production index for farmers and as the base period for the prices of agricultural products the years 1935 to 1939 as equalling 100. Since that time the economists have plotted the changes in the index of prices of agricultural products and the changes in the index of the farmers' cost of production.

In 1946, with a gross national product of $12 billion, the index of farm products was 204 and the index for the cost of production was 157. In other words, in 1946 prices for agricultural products had a 30 per cent greater purchasing power in terms of the farmers' cost of production than they had in the late 1930's. In 1956 there is an entirely different picture. Prices for agricultural products have gone up little in the ten year period. They have gone up to 232.5 while the cost of production index has gone up to 254, that is now beyond the index of prices of agricultural commodities. Therefore, according to the economists in the Department of Agriculture who publish the *Economic Annalist,* the purchasing power of agricultural commodities today is 9 per cent lower than the purchasing power in the years 1935 to 1939.

What a condemnation that is of the Minister of Agriculture and the Liberal government, which took office in 1935, that since that time over a period of 22 years have allowed agriculture to drift into a position where the purchasing power of agricultural commodities today is worth less than it was in the dark depression days of 1935 to 1939! Our farmers did not expect this to happen. The government presented the Agricultural Prices Support Act to the House of Commons toward the end of the war and they wrote into the act these words:

> The board shall endeavour . . . to secure a fair relationship between the returns from agriculture and those from other occupations.

They promptly forgot their many promises to the farmers and the people of Canada generally and allowed agriculture to drift into its present very sorry state. We have a Minister of Agriculture all right, and I see by the public accounts that he is quite a traveller.

[Mr. Argue.]

Mr. Pickersgill: That is a generous remark.

Mr. Argue: He travelled to such an extent that his expenses were twice as high as those of any other cabinet minister. With all this travelling I do not know where he went because he seemed to spend nearly all his time in Ottawa or the province of Saskatchewan. However, in spite of his travelling apparently he has failed to discover that Canada's agricultural policies are among the poorest of any nation anywhere in the world. Only Canada fails to provide a system of adequate support prices. Where was the Minister of Agriculture last fall? I do not think he was in Ottawa too often.

An hon. Member: In Alberta.

Mr. Argue: In Alberta, yes, and in Saskatchewan, tramping around western Canada.

Mr. Hansell: Mending fences.

Mr. Argue: Mending broken Liberal fences, and there are lots of them. They are breaking down all over western Canada. The minister was out there lining up the old Jimmy Gardiner political machine. It is pretty rusty and in a bad state of repair in many places, but the minister says it is good for one more run and he is going to make the best use of it he can. If a stranger had come to Saskatchewan last fall not knowing who the Minister of Agriculture was, I am sure that from looking at the *Leader-Post* and other daily newspapers he would have thought that the minister was a paid organizer for the Saskatchewan Liberal party and had never been east of Fort William.

The minister said a lot of things about agricultural problems. When he was asked what the farmers should do about the tremendous surplus that some of them had on their farms, his general attitude was: Do not worry, fellows; I have been through the United States and they have got a big drought down there. Apparently he has taken to sun-gazing because he has been saying that sooner or later a drought is going to come to western Canada. His attitude to the surplus grain problem is this. He says to the farmers: Do not worry; I know you are broke because you have got too much wheat but sooner or later there will be a couple of dry years and you will sell your wheat and you will then be broke because you no longer have any wheat. In the meantime he goes along, as I say, oiling up his defunct and discredited political machine.

I have in my hand the very excellent brief presented by the interprovincial farm union council and the Canadian Labour Congress to the government of Canada on December 5, 1956 expressing concern at the state of the

agricultural industry and the substantial unemployment in the farm implement industry. I think this brief demonstrates that farm organizations and labour organizations can co-operate with each other and that they should do so; that their interests are not opposed one to the other but rather that they have a common interest in securing a decent standard of living for the working people of this nation, whether they work on the farms or in the industries.

We had some extremely interesting information given to us about this conference. It was given to the hon. member for Humboldt-Melfort (Mr. Bryson), the hon. member for Mackenzie (Mr. Nicholson) and me by Chris. Hansen, the president of the Saskatchewan Farmers Union. He told of the interview they had had with the cabinet when they were presenting this brief. It was a committee of the cabinet meeting the Canadian Labour Congress and the Interprovincial Farm Union Council. The meeting was presided over by the Minister of Trade and Commerce (Mr. Howe) in the chair. Mr. Hansen informed us that they had had what they felt was a very good hearing, that the hearing seemed to be about over and that the Minister of Trade and Commerce was about ready to adjourn the meeting when the Minister of Agriculture pipes up and says, "Well, I heard a lot this afternoon about falling farm income, but I have just come back from western Canada and I saw no sign out there of a falling in farm income". He said, "I had no complaint from any farmer in the west about a drop in farm income except from one who said his income had now fallen off to the point that he had to sell his aeroplane". That from the Minister of Agriculture! The Minister of Agriculture makes such a ridiculous statement to a conference discussing an extremely important matter.

We have heard a great deal in this house about the western farmers going to Florida and California for the winter. If one or two per cent should get there, why not? It seems to me that the Liberals opposite think it is a crime if a farmer should ever get the chance to take a holiday. They like to create the impression in eastern Canada, apparently, that the farmers out west all leave the farm in the winter. The Minister of Agriculture now is determined to create the impression that at the present time the farmers in the west have lots of money, that they are hopping around from one piece of land to another in an aeroplane. In my opinion, Mr. Speaker, that illustration shows just how low this government has fallen in its attitude toward the farmers of this nation.

I was invited to take part in a panel discussion that was to take place at the Saskatchewan Farmers Union convention in Saskatoon in mid-December last. There was to be representation from each political party. I was glad to accept. However, a few days after I had accepted the invitation, I received a telegram from the president saying that the panel was off and that he would send me a letter of explanation which would follow. I have the letter here. I am not going to read all of it but it says in part as follows:

> However, in order for the panel to be of value it was necessary that we have a representation from the Liberal party present to speak on behalf of the present government. Since originally contacting you we have made several attempts to have a representative of the government take part in the panel but in each case they have refused.

I suggest that the Minister of Agriculture no longer has the courage to confront a meeting sponsored by a bona fide farm organization in western Canada to discuss in public, with representatives of other political parties, his discredited agricultural program. Apparently he does not dare to come to such a meeting. I should be quite happy, Mr. Speaker, to discuss with the Minister of Agriculture on a public platform anywhere in this nation, at a meeting sponsored by a farm organization, the way his policies and those of his government are undermining and destroying the agricultural industry of this nation and forcing thousands of farmers to leave their homes in discouragement because they are unable to make ends meet.

The Minister of Agriculture was in Saskatchewan. He did not spend all his time in his home constituency. He came down into Assiniboia constituency and to other constituencies in western Canada. The Jimmy Gardiner political machine was prepared to go into Assiniboia and to take things over in an important way, because the Minister of Agriculture was quite happy to come to a convention where they chose as their political candidate somebody who has acquired a reputation for transferring from one political party to another. I would not call him a second-hand candidate. He has become a third-hand political candidate. Prior to that convention there was a great deal of speculation as to where the hon. member for Moose Jaw-Lake Centre (Mr. Thatcher) would run. Many constituencies in this country were mentioned as possibilities. But I notice there seemed to be unanimous agreement of opinion that there was one constituency in this country above all others that hon. member would never contest, namely his own constituency

of Moose Jaw-Lake Centre. Rather than stand there for election, he would leave that constituency.

If the Liberal party think, as they may, that they have found a new recruit who has embraced Liberal principles, they should never forget the timing of his leaving the independent group and going across the floor. It was not during or before the last Saskatchewan provincial election. It was after the election. It was after the political demise of the independent provincial candidate, one Dick Lillicoe in the constituency of Moose Jaw. He was not able to make the grade and so the hon. member for Moose Jaw-Lake Centre felt that there was no hope in that constituency as an independent and that therefore he would be obliged to look elsewhere. Apparently the Social Credit party had taken such a shellacking in that election that he found it impossible to adopt their principles. So he has gone into the Liberal party.

He has made a speech in this house already this session. In it did he deal with the things about which the Liberals are talking in this house at this time such as improvement in social security legislation? Did he ask for measures to help the farmers of western Canada and the people of Saskatchewan? No; he did not do that. He said that anybody who has not enough money now, in this inflationary time, to make a substantial payment when he is getting something on credit should be forced to pay at least one-quarter or one-third down. Then he said that if the Minister of Finance should decide on a tax reduction for the people of this country, they should not be given it now; in other words, they should be given a glance at the carrot and perhaps a little whiff of the aroma but in order to taste the carrot he would force them to wait a three-year or a five-year period, presumably so that the carrot could be used all over again for the same purpose in another election. I do not believe the people of Canada will fall for that political bait.

I notice that the hon. member was out to Vancouver not too long ago. He made a speech out there or at least he had a press interview, parts of which he has denied subsequently; but I am not going to refer to any of the parts that have been amended and changed. According to the press report he had this to say about the Prime Minister:

> Mr. Thatcher predicted Prime Minister St. Laurent will "ride the election and retire six months after" . . .

There we have, from a Liberal member, a statement that the Prime Minister is going into this election under what are patently false colours, that his intentions are camouflaged and that he is hiding from the people of Canada his intention to resign as leader of the Liberal party within six months after the election.

I do not believe that the Prime Minister has those intentions. I believe if he heads the Liberal party in this election that in his own mind he will sincerely intend to stay in office a sufficient length of time to see the proposals which he makes placed in legislative form. But according to the member for Moose Jaw-Lake Centre the Prime Minister of this country will face the Canadian people in an act of deceit and deception. The hon. member can explain that.

Then the article goes on to state that the hon. member predicted after the Prime Minister retires he will leave the government in the hands of the Minister of Finance or the Minister of Fisheries. Then listen to this: ". . . whom he described as the most brilliant man in the house." Well, now apparently the Prime Minister is a second rater and is playing second fiddle to the most brilliant member in the House of Commons, the Minister of Fisheries. We have heard nothing previously about his ability from the government side of the house, but according to the hon. member for Moose Jaw-Lake Centre the most brilliant man is now sitting in the second row.

Then as to the leadership of the Liberal party, the hon. member says that the Minister of Fisheries will be the Prime Minister within 10 years anyway. I know the Minister of National Health and Welfare probably has aspirations in that direction. The name of the Secretary of State for External Affairs (Mr. Pearson) has been mentioned in that connection as one who might make a suitable Prime Minister. The name of the Minister of Finance has been mentioned often by those who say he is an excellent political strategist. The name of the Minister of Citizenship and Immigration used to be mentioned but I have not heard it mentioned lately. However, I have not seen the name of the Minister of Fisheries mentioned at all, but according to the hon. member for Moose Jaw-Lake Centre if the Minister of Finance should become leader of the Liberal party, and some day the prime minister, he will not hold the position long because the Minister of Fisheries will be breathing on his neck and it will not be long until he becomes prime minister and takes over from the Minister of Finance.

Then, to further ridicule in a somewhat indirect way the Prime Minister and government of this country, the hon. member had this to say in relation to Premier Bennett of British Columbia. He said that he had met Mr. Bennett twice and was impressed with his obvious ability. The hon. member said

Premier Bennett struck him as being a pretty able Canadian. He said that in British Columbia the Social Credit have been doing some rather sensible things and seemed to be giving a good business government. Every time the hon. member for Moose Jaw-Lake Centre stands up in this house he tries to tell us why this government is not following good business practices. He has found a good business government in British Columbia but not here. I wonder why he has been cuddling up to Social Credit out in British Columbia. He says he has been offered the leadership of the Social Credit party in Saskatchewan on a number of occasions. I have heard conflicting reports about that. Apparently he wants to remain in the good graces of the Social Credit party so that if he needs another escape route at any time he will have it open and he can apply for admission to the Social Credit party.

In order to show that no Social Credit member would be fooled by these reports the leader of the Social Credit group, the hon. member for Peace River (Mr. Low), had to set the record straight. In a report in the *Western Producer* dated October 25, 1956 the leader of the Social Credit group said that the Social Credit leadership in Saskatchewan never was offered to Ross Thatcher, Moose Jaw M.P.

I noticed that the Prime Minister, in his speech at the opening of the house, defended the government's support price under butter. I have often said, and I repeat, that I believe the government support price on butter is one of the best pieces of agricultural legislation the government has in effect and the only support price that works adequately. There is one person in this house, however, who does not like the support price on butter. Only one member of parliament has ever said that the farmers who milk cows, who ship cream to get a few dollars to pay the grocery bills, to send the children to school, to buy clothing for the family, are getting too much for a can of cream. The hon. member for Moose Jaw-Lake Centre said on February 10 last as recorded at page 1076 of *Hansard:*

> I think the government's butter policy is short-sighted and economically unwise.

I am pleased that the Prime Minister has defended this policy against someone who now sits with his own party. I am afraid that from the record the hon. member for Moose Jaw-Lake Centre is just as much a misfit today as he has ever been, that his ideas are just about as far removed from those of Liberalism as the ox cart is from the atomic age.

I believe that agriculture needs legislation at this time to improve its position. I suggest that this is the time, at this session, for the government to introduce a system of parity prices for agricultural products; and the interim and final payments on the 1955 crop should be announced at a very early date. I suggest that advance payments and farm storage for grain should be made part of the permanent legislation of this country, and that the government should inaugurate a system of crop insurance for agriculture. The prairie farm assistance maximum payment of $500 in 1939 is today worth only about $200 because of inflation. Now is the time to at least double the prairie farm assistance.

I suggest that in the field of social security payments the government should increase old age pensions to at least $65 to everyone reaching the age of 65; that family allowances should be increased to at least the point of restoring their 1944 value which would require an increase of 60 per cent. I believe the government should announce now a health program which can be implemented by all those provinces presently willing to adopt such a program. I suggest further that in order to alleviate the position of the municipalities the government should change its financial policy and its credit restrictions to enable the municipality to borrow money to finance essential works, and at a rate not greater than 4 per cent. The government should provide assistance for an adequate road program in this country.

These are some of the things Canadians need. We can afford them. Our wealth production is 2½ times that of 1946. Instead of being content with the social security program and a farm program which is much worse than it was in 1946, I suggest that legislation should be advanced to improve the position even beyond the level of 1946. I suggest that at this time Canada should be doing more in international affairs to help the underprivileged of the world. I think we are in an excellent position to promote democracy and to help stem the advancing tide of communism by providing a greater number of technicians to underdeveloped countries; by providing more support for the Colombo plan and the United Nations organization; by at times taking whatever quantity of food may be necessary from our great surplus to prevent famine in the countries of Asia and Africa and other distressed areas of the world. I suggest the people of Canada are generous and that they are prepared to play a more important part in providing assistance to the underprivileged people of the world. I suggest that Canadians generally would agree with the statement, which

I paraphrase, made by the C.C.F. national convention in 1956, namely, that we will not rest content until every person in this land and in all other lands is able to enjoy equality and freedom, a sense of human dignity and an opportunity to live a rich and meaningful life as a citizen of a free and peaceful world. I suggest that is an objective for 1957 to which every Canadian might direct his energy and ability.

Mr. A. B. Weselak (Springfield): Mr. Speaker, may I, like those hon. members who have preceded me in this debate, extend my heartiest congratulations to the mover of the address in reply to the speech from the throne, the hon. member for Edmonton-Strathcona (Mr. Hanna), and to the seconder, the hon. member for Gloucester (Mr. Robichaud) for the splendid and capable manner in which they discharged the respective duties assigned to them. May I also extend my heartiest congratulations to the hon. member for Prince Albert (Mr. Diefenbaker) on his elevation to the position of leader of the official opposition. We in western Canada take pride in that one of our number has been selected to fill this high post.

The speech from the throne reflects the conditions under which parliament met for this current session. Serious problems faced the world in the international sphere, and at home we were in the midst of a serious railway strike which had thrown 67,000 people out of work and had tied up thousands of miles of railway track.

The greater part of the constituency of Springfield, which I have the honour to represent, is served by the Canadian Pacific Railway; and while alternative service is generally available by trucks and buses, nevertheless the strike did result in the complete stoppage of grain deliveries to elevators which now are practically always filled. It probably would not have been so serious to us if the farmers in that particular area had had reasonably good crops over the last three years, and if they had received a reasonable amount of cash over that period. This, however, was not the case. The financial position of these farmers can be readily appreciated when it is noted that the average yield in my immediate area for the 1954-55 crop year was 9½ bushels per acre as compared with a long-term average yield of 19.7 bushels.

In the crop year 1955-56, on a quota of 3 bushels to an acre, practically all the grain in the district was cleared out. This year a reasonably good crop was harvested, though considerable difficulty was experienced in gathering it in due to wet weather and frost, which resulted in increased expense, loss of yield and also deterioration of grade due to moisture and frost; therefore the prospect of a lengthy tie-up of rail facilities did not appeal to the people in that area.

I think we all appreciate the struggle labour has had in the past century to achieve the right to organize and also to obtain the right to strike, which is its most effective weapon when all other mediums fail. If one has this appreciation it is difficult to state that this right which has been earned through suffering and privation should be arbitrarily taken away from any group in our labour force. On the other hand the right to strike, particularly when the strike is of the nature of the recent railway strike, must be exercised with responsibility by the leaders of union groups and by the rank and file and therefore, as I have said, it must be carefully exercised. Abuse of this right could very well result in public opinion becoming such that in certain spheres of activity within the country the right would be restricted or in fact taken away, as it has been in some jurisdictions, in the public interest. We certainly hope this will never be necessary in relation to the railroads, and it will not be necessary if organized labour continues to face up to its responsibility.

Management, too, has an overriding responsibility to the public to negotiate in good faith, particularly since where railways are involved there exists the responsibility to take into consideration the public interest and welfare. We in western Canada are particularly affected when events such as the recent strike occur. We are dependent solely upon rail transportation in many areas; and even in areas with alternative service we depend upon rail transportation for manufactured goods from the industrial areas of the east to meet our needs and we depend almost wholly upon rail transportation for the export of our production both of grain and of animals.

Our farmers and local businessmen are having a difficult enough time at present without being subjected to the further losses which naturally flow from such an event. It was therefore reasonable to expect that farm and political leaders of western Canada did not take kindly to the strike and expressed opinions which were critical of it. The people of western Canada, however, were not prepared to settle this matter and have trains operating at any price. Since 1945, according to the Gordon report, the railways have been granted permission to introduce horizontal increases in freight rates on eight separate occasions in order to offset increases in their operating costs. The adjustments which have

been allowed total an increase of somewhat more than 100 per cent over the rates prevailing in 1945.

It is common knowledge that these increases do not affect Ontario and Quebec, where alternative transportation facilities exist, to the extent that they affect the economies of the maritimes and the western provinces. Any increase in freight rates increases the cost of production and the cost of living on the prairies, since prairie consumers must pay the freight on incoming goods. Increases in freight rates also reduce the gross income of western producers, since the cost of freight on produce shipped to eastern markets or ports of export are also deducted from the prices paid to producers for their product. The net result is that costs are increased, revenues reduced and net incomes seriously affected.

Representatives of farm organizations and of provincial governments appearing before the board of transport commissioners in freight rate hearings have insisted on economies in railway operation, and have insisted upon proof from the railway in justification of increased costs. Therefore the attitude of many people in western Canada is that if economies can be effected without prejudice to the general public, the railways should be required and permitted to effect such economies.

As we all know, the issue over which the strike was called was the question of whether firemen should be retained in yard and freight diesels. The railways contended that on diesel engines firemen were not required for their operation, and therefore their services should be dispensed with in all except passenger locomotives. The union on the other hand contended that firemen in the cabs of these engines were essential to public safety. The matter of public safety is one in which the general public of Canada has a definite interest; therefore there appeared to be some merit in the firemen's case.

If firemen are not needed for these purposes it would be ridiculous for the railways to keep these men in the cab. On the other hand, if the safety of the public is endangered the price to be paid for this safety factor is inconsequential compared to the possible loss of life, equipment and freight. The issue had to be resolved, and resolved it was, through the mediation and untiring efforts of the right hon. Prime Minister, who was able to bring the parties together and bring them to common ground, where finally both parties agreed to submit the issue to an investigating body for analysis and determination. The findings of this board should determine the matter as between the parties, and should remove from the public mind the doubt which exists there as to whether, from a safety point of view, firemen should be removed from the cabs of these locomotives or retained.

The Conservative amendment accuses the government of indifference, inertia and lack of leadership. The settlement of this strike by the right hon. Prime Minister in my view, and I think in the view of most Canadians, refutes this charge and shows that the leader of this government is not indifferent to the welfare of the people of Canada; shows not inertia but aggressiveness; not lack of leadership but outstanding leadership in times of considerable difficulty.

Before leaving the question of railways and freight rates I should like to make one more point. The preliminary report of the royal commission on Canada's economic prospects, commonly known as the Gordon report, suggests among other things that additional revenues to meet rising costs of railway operation might be obtained in the future by increasing the statutory rates on grain.

Obviously the reference is to the Crowsnest pass agreement of 1897, in which the C.P.R. agreed, in return for a cash subsidy of $3,404,702 and a grant by the British Columbia government of 3,602,000 acres of land, to reduce the rate on grain and flour by 3 cents per hundredweight from the prairies to the head of the lakes. Subsequently, in 1927, this rate was extended to Pacific coast ports. As an alternative the Gordon report suggests that the railways be paid a subsidy in lieu of increased rates on grain being transported to the lakehead or Pacific coast ports.

There is no suggestion by the government that it has any intention of repealing the legislation which incorporates the Crowsnest pass agreement rates; nevertheless there seems to be some public support for this as the result of certain statements made in the past by railway officials and others that these rates are responsible for some of the financial difficulties experienced by the railways. The mere fact that these rates were set approximately 60 years ago does not necessarily imply that they are not still profitable, and there is plenty of reliable evidence to show that these rates are profitable to the railways.

We have only to go to the report of the Turgeon royal commission of 1950-51, where a detailed study was made of these rates, to find authoritative evidence in support of the statement that they are profitable. The report of the commission reads in part:

> Much time has been taken to consider whether it has been established that the Crowsnest pass rates hitherto exempt from the burden of general freight rate increases, should now be made subject to them. As above stated the removal of this exemption is asked for principally on the ground

that it casts an unfair burden on shippers of other commodities. This argument seems plausible in theory but an examination of all the facts involved shows that it is not well founded. There is really not much to be said against these rates in respect of their effect upon the railways.

We must remember that when the agreement was entered into, production of grain on the prairie provinces was about 35 million bushels per year. Today it is about one billion bushels, and naturally the unit cost of transportation falls with increased volume. In addition, technical advances in railroading since 1897 have resulted in an increase in the capacity of box cars from 60,000 to 120,000 pounds; handling of cars is automatic; trains are longer and motive power much more efficient, all resulting in lower cost of operation per unit bushel transported.

Apart from the Turgeon report we have only to go to the C.P.R. itself for further evidence, for early in 1956 in sworn testimony given before the board of transport commissioners Mr. Kenneth H. Brink, research officer of the C.P.R. stated "normally we depend on a good grain year for good net earnings". If a good grain year contributes to good net earnings, obviously such grains are not hauled at a loss but at a good profit under the Crowsnest rates; therefore no change in rates or subsidy in lieu thereof is justified.

If one examines the accounts of the C.P.R. as contained in their annual report he finds under the heading of land surplus account a cumulative surplus of $101,685,263, and finds that in the year 1954 net revenues from this account amounted to $9,406,406. In its recent campaign for higher freight rates and the abrogation of the Crowsnest pass agreement the C.P.R. has constantly sought to withhold from the railway end of its business the other income and land surplus accounts, and contrary to the statutes creating and endowing the C.P.R. it has arbitrarily divided its accounts in this manner since 1946.

When the railway was built through western Canada, by an agreement in December of 1880 the C.P.R. was given a cash grant of $25 million and 25 million acres of land fairly fit for settlement. The money in the land surplus account of the C.P.R., in violation of the statute, is kept apart by the railway from its operating accounts. This money is income derived in one form or another from land given to the C.P.R. by this parliament and the province of British Columbia. The purpose for which the land was given, as stated in the law, is to complete, equip, maintain and operate the railway in perpetuity.

To summarize, all available evidence indicates that the Crowsnest rates are profitable; that increasing, substantial revenues are received by the railway from lands granted in western Canada, and therefore charges that these rates undermine the operations of the railway are unfounded and unfair and should be ignored. The railways feel that if they could abrogate this agreement and raise the rates on grain and flour by 100 per cent as they have been raised on many other commodities they would gain from $70 million to $80 million a year at the expense of the western farmer.

Members from other parts of Canada may wonder at the strong and determined resistance of the west towards any change in these rates. This resistance is fully justified, and I hope my remarks here today will contribute toward a better understanding of this problem. The Canadian Pacific Railway through its propaganda has confused the thinking of many Canadians in this respect, and one has only to read the editorials of many leading eastern papers to see the extent to which it has succeeded. The Canadian National Railways to my knowledge have never complained of any losses accruing to them as a result of the Crowsnest pass rates.

The hon. member for Brandon-Souris (Mr. Dinsdale) almost wholly embraces and speaks with general approval of the Gordon commission's recommendations.

Mr. Dinsdale: Mr. Speaker, on a question of personal privilege, if the hon. member will read my speech he will see that there were five specific topics only, so let there be no sweeping generalizations, please.

Mr. Weselak: In April of 1954 his party colleague, the hon. member for Winnipeg South Centre (Mr. Churchill), spoke strongly in this house in favour of Crowsnest pass rates on grain and flour, and the Winnipeg *Free Press* on April 14, 1954, had this to say editorially regarding the remarks of the Winnipeg member:

Mr. Churchill's unqualified commitment in favour of Crowsnest rates is welcome. However he should realize that in so speaking he was in so far as the Liberal party is concerned preaching to the converted.

Only one political party has opposed Crowsnest pass rates and presented itself to the electorate on a policy of repealing the statute and nullifying the agreement. That party is Mr. Churchill's party—the Conservative party. The Conservative party did so in 1925 and 1926. Mr. Meighen, then Conservative leader, declared that the Crowsnest pass agreement is a "special privilege". Likewise under Conservative direction an attempt was made to abolish Crowsnest pass rates at the 1919 special session called to deal with railway legislation.

In 1919, the Crowsnest pass agreement was saved by the Liberal party through the instrumentality of the late Senator Robert "Bob" Watson of Portage la Prairie. In 1925 and 1926 the electorate at large saved the Crowsnest pass rates by rejecting the Conservative party and electing the Liberal party.

Mr. Churchill will make a real contribution if he undertakes missionary work in behalf of the agreement in his own party.

I submit, Mr. Speaker, that the Gordon commission's suggestion that statutory rates on grain could be increased, or that the government could provide in lieu thereof a form of subsidy, can only be based upon an assumption, which in fact does not exist, that the statutory rates are not profitable to the railways, when in fact they are, as shown not only by the findings of the Turgeon commission but by the evidence of one of their own research officers.

I hope I have made it clear that the existence of these rates does not constitute a hand-out to the western grain growers at the expense of other sectors of the economy. In this respect grain growers are paying their own way and in fact providing a profitable source of revenue to the railways.

A substantial part of the speech from the throne is devoted to Canada's participation in international affairs. This is as it should be, for while the official opposition may state that the government is not entitled to the confidence of the Canadian people by reason of its indifference, inertia and lack of leadership in serious international problems, the record of the government shows that the contrary is true in actual fact. We have only to examine the work done since the last war in connection with the formation and promotion of NATO by the Prime Minister and the Secretary of State for External Affairs to find an excellent example of co-operation and leadership in international matters. Is it likely that Canada's foreign minister would have been selected as one of the "three wise men" of NATO, to review its policies, if Canada had not in the past shown leadership in these matters?

In the sphere of international trade Canada has been a staunch supporter of the principles of GATT, and has constantly led in the fight toward the reduction and removal of trade barriers.

I had the privilege, Mr. Speaker, of attending the pre-Christmas session of the United Nations, and as a result of my experience I can certainly agree with Grant Dexter who, writing from New York on November 26, 1956, to the Winnipeg *Free Press*, states that his first impression on coming to United Nations headquarters and mixing with peoples of all nationalities was one of surprise and pleasure, and that Canada is almost a magic word at the United Nations. He reports that Canadian prestige is very high there because of the part Canada had played in halting the fighting in the Middle East and in creating a United Nations police force.

He goes on to point out that there is more to it than just this; that this was not Canada's first major contribution; that over the past 11 years Canada has made innumerable outstanding contributions to the constitution and development of the United Nations. He cites as examples the fact that three Canadians—Norman Robertson, presently high commissioner at London; Louis Rasminsky, now of the Bank of Canada, and the late Hume Wrong, for some years Canadian ambassador at Washington, rewrote the economic sections of the United Nations charter at San Francisco at the time the charter was born.

He further mentions that in 1947 and 1948, when Israel was created and the first conflict with the Arab states broke out, the Canadian government was one of the leading peacemakers. The present Secretary of State for External Affairs, then undersecretary of state, was on the committee which brought about the settlement which endured until just recently. It was partly in recognition of his outstanding service in this regard that Mr. Pearson became president of the United Nations, after becoming minister for external affairs.

He also cites the fact that last year the Minister of National Health and Welfare, as head of the Canadian delegation while the minister for external affairs was engaged on NATO business succeeded in breaking down the antagonism which had prevented admission of new members to the United Nations. As a result of his efforts 16 new members, including Ireland and Italy, were added. Four new members were accepted this year, proving that once broken the old rigidity is unlikely to return.

Mr. Dexter goes on to point out, Mr. Speaker, that veteran delegates to the United Nations said there have been few such occasions in the history of that organization as that when our minister reversed the headlong course of the Middle East debate, turning it from destructive to constructive purposes; and he adds that when President Eisenhower took the time on election day to telephone the Prime Minister at Ottawa to thank him for what Canada had done at the United Nations he was reflecting the feelings of all United Nations members outside the Soviet bloc.

It is true, Mr. Speaker, that Canada's resolution has not solved the basic problems which caused the Middle East explosion, but it helped to stem the deterioration of a highly dangerous situation, brought about a cessation of hostilities and created a more favourable atmosphere in which to set in motion the peacemaking powers of the United Nations.

Apart from Canada's leadership in and contribution to NATO and the United Nations,

the Prime Minister during the life of this parliament made a world tour in an effort to create a better understanding of Canada among the nations of the world. This has been followed by the recent commonwealth tour of the Minister of National Health and Welfare, which will also contribute a great deal toward a better understanding of one another by the commonwealth peoples.

Reports indicate, Mr. Speaker, that there are now 8,500 Hungarian refugees in Canada; that by the end of February this number will be increased to 14,000, and that in the spring when employment opportunities are better another 10,000 will arrive in this country. In this humanitarian work Canada has a creditable record, and a great deal of credit is to be given to the Minister of Citizenship and Immigration for his personal attention and concern in this regard when he himself went to Austria to supervise the removal of these unfortunate people and the simplification of immigration processes.

It is encouraging to note that estimates of immigration for the year 1956 will exceed the 1955 figure, and that a very substantial rise in immigration is forecast for 1957. It is my opinion, and the opinion of many people in this country, that immigration should be encouraged; therefore the expected rise in these projected figures is welcome.

The speech from the throne makes reference to the excellent progress which is being made in our national development and this, sir, is not an exaggeration. I am pleased to say that we in Manitoba have shared in this development. Preliminary reports indicate that Manitoba manufacturers in 1956 produced a record of $625 million, as compared with $527 million in 1955. Retail sales increased by 7 to 10 per cent; carloadings in the western division by 37.7 per cent; mineral and oil production from $61 million to $65 million, and farm cash income for the first nine months of the year from $120 million in 1954 and 1955 to $143 million in 1956, attributable in great part to increased loadings of wheat.

One of the most dramatic events in the developing economy of Manitoba has been the decision of the International Nickel Company to start on the $175 million nickel project in the Mystery lake and Moak lake areas of Northern Manitoba. This mine is scheduled to go into production in 1960 and will be the world's second largest nickel operation, second only to International Nickel's operations in the Sudbury area. This project brings along with it development of the Grand Rapids power site, which will add to the energy sources of the province. In my own constituency the Lithium Corporation of Canada has begun operation of a lithium mine in the Cat lake area, and has plans for a mill in the vicinity. In the same area a copper mine is also in the early phases of development.

In connection with the Moak and Mystery lakes development, I wish to take this opportunity to pay tribute to the government of Manitoba for their part in bringing this matter to a favourable conclusion, and in particular to the premier of Manitoba, the minister of mines and the former provincial treasurer, Mr. R. D. Turner. These men worked unceasingly with officials of the company in the interests of the province to make this project become a reality.

We are pleased, Mr. Speaker, in my province to see developments such as I have described both provincially and nationally, but our pleasure is dampened when we recognize that a certain sector of our economy which, while recently showing some improvement, is not fully sharing the prosperity of the country. I refer to the agricultural people of Canada.

The speech from the throne recognizes this problem, and recognizes the need for long-term planning and bold imaginative measures to establish Canadian agriculture on a sound economic basis. The establishment of a committee to consider what should be done to make better use of land for agriculture in the light of the benefits we have obtained from the operation of the Prairie Farm Rehabilitation Act is a welcome step in this direction and should contribute toward a solution of the problem.

This, however, is not the complete answer, and unfortunately the Gordon report does not contribute a great deal toward a solution of the problem.

The solution certainly does not lie in curbing and discouraging production. It does not lie, as suggested in the Gordon report, in a negative approach such as the curtailment of prairie farm assistance payments to discourage use of lands where there has been a high record of crop failure, an indirect way of squeezing farmers off farms. It lies in a positive approach to the problem as suggested in the speech from the throne, through such things as relocation of farm population from submarginal lands with government assistance, encouraged diversification of farm production, extension of farm credit for capital purposes, and a more extended use of the Agricultural Prices Support Act to guarantee the farmer a reasonable return pricewise for the goods he produces. The recommendations in the report are worthy of study, but should be scrutinized very carefully before any attempt is made to implement some of them.

I should like to say a few words about the reference in the speech from the throne to continuation of the Canadian wheat board as the sole marketing agency for western wheat, oats and barley. As stated in the Gordon report, this method of marketing wheat and coarse grains is generally accepted by the grain growers of western Canada, and its establishment was the result of many years of consistent effort on the part of the farmers to obtain orderly and stable marketing of their grains. This system of marketing, not surprisingly, has been the subject of some attack by certain groups in western Canada, and this can be expected when periods of congestion exist such as we have recently experienced. In 1955 the Canadian Chamber of Commerce went so far as to pass a resolution condemning agricultural marketing through government agencies. I can assure you, Mr. Speaker, that such a resolution is not in accord with a great weight of farm thinking, particularly in so far as the marketing of wheat, oats and barley is concerned.

The continuance of this legislation is a must. Its importance can best be illustrated by the fact that economists estimate that if today marketing of wheat were to be taken from the jurisdiction of the wheat board and turned over to the trade the market price of No. 1 Northern would not be $1.69 at Fort William and $1.71 at Vancouver, but likely somewhere between 80 and 90 cents per bushel. It is true that the grain trade would take the grain off the farms, but at half its present price. This legislation should be continued, and no doubt will receive the unanimous support of the house.

A great deal has been said recently in the house and in the press regarding the needs of our senior citizens, who in times of difficulty and hardship did so much to make this country what it is today. My concern, Mr. Speaker, is not so much for those who have other sources of income or for those whose financial position is such that with the present pension they can get along quite well. My concern is for those who for a variety of reasons, many beyond their own control, find themselves, particularly in our towns and cities, trying to maintain themselves on $40 per month. It would be a very nice thing to give an across the board increase to all pensioners, but if this is not feasible or practical I would certainly urge the government, either with or without the assistance of the provinces, to make further allowances at least to our old age and blind pensioners who need such assistance.

It is hardly necessary to point out that with the increased cost of living in Canada the present pensions, in those cases where individuals are solely dependent upon them, are inadequate and do not meet present day needs. In this respect I might also point out that the regulations governing disability pensions should be reviewed by federal and provincial authorities, as there is considerable doubt in my mind whether these regulations reflect the intention and the mood of parliament at the time the act was passed.

The proposal contained in the speech from the throne to authorize the payment of grants in lieu of taxes on federal property in all municipalities where such property receives normal municipal services will be most welcome to municipal councils, and will help to relieve some of the financial difficulties in municipalities affected.

In this house last session I urged the Minister of Finance to give consideration to removal of the sales tax on repairs and replacements for heavy equipment used by municipalities. These expenditures by municipalities run into substantial sums. I hope he is keeping this matter in mind as he works on his present budget.

The establishment of the Canada Council is in keeping with the growth of Canada, and more extended assistance to university students and to the universities themselves through increased grants will help fill a need which is seriously felt at the present time by all universities.

Finally, Mr. Speaker, one has only to compare statements made by the leader of the official opposition in and out of the house in recent days with those of members of the government on current issues, both national and international to determine whether the allegations of indifference, inertia and lack of leadership apply to the government or to the official opposition. In my opinion these words neatly describe the official opposition, and my vote on the amendment will so indicate.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, this afternoon I find myself in the position of having to choose a few subjects from a rather lengthy list of what I consider to be very important issues now before us. The fact that I direct attention to these specific problems does not necessarily mean that the others are of a lesser importance, nor does it imply that they will be neglected. It is my hope that we will have the opportunity in other debates to make observations in connection with these problems that are facing various parts of our country and various groups of our Canadian citizens.

Last month I received a very kind invitation to attend the annual Christmas dinner of one of the senior citizens' associations in

my riding. There were possibly 200 people in attendance, representing a considerable part of our population, a group that has given of its strength and abilities in the building of our great nation. As I looked at the audience on that occasion I thought of the sacrifices that had been made as they endeavoured to make their contribution to this country. I thought of the labours performed, the hardships that had been endured, the tears and the sorrows and the joys which had been theirs as they paved the way for succeeding generations. Then I thought of the conditions under which many of those whom they represented are required to live, and I must confess that I felt ashamed.

In the speech from the throne there is a very interesting paragraph which I should like to read. It is in these words:

> Indeed our economic expansion has been so rapid that it has put a serious strain upon the supply of various types of labour and materials needed for the many projects which are being put in hand. The corresponding competition to borrow savings to finance all these projects has brought about an increase in interest rates. Increases in the volume of money and credit have had to be carefully limited in order to check inflationary tendencies and the financial policies of my government have also been directed to counteract these same tendencies.

The previous paragraph refers as well to the expansion of our economy and to the prosperity we are enjoying at the present time. But I wonder whether we should not ask the recipients of old age pensions whether they are in agreement with the statement in the speech from the throne which I have just read. When they are required to live as they are on a very meagre pittance, I do not think they would be overly impressed with statements regarding the wonderful expansion of our economy and the high degree of prosperity that the Canadian people are enjoying.

Nor do I think the recipients of the war veterans allowance would be overly impressed with that same statement when they as well, especially those who have not the opportunity of supplementing their income in any other way, are required to live on the present rates that obtain in this particular category.

I would ask the blind citizens of Canada whether they can appreciate the splendid development that is taking place in our economy and the high degree of prosperity we enjoy. I would ask them if they are sharing in it. I think they would be in a position in which they would be forced to say that they did not know anything about it, that they hardly knew what we were talking about in this particular instance.

We think of the disabled. Yes, we even think of the man who was once considered to be in the middle income brackets. No matter which of these people we might talk to, I think they would all join in saying they could not appreciate statements such as those, because they themselves were not able to enjoy these good things that should be provided for every citizen of this great country of ours.

In his speech in this debate my leader, the hon. member for Peace River, gave the definition of inflation as too many dollars chasing too few goods. If we asked these people whether they had too many dollars I think they would be constrained to say that, as far as they were concerned, they did not have enough dollars to buy even the necessities of life, let alone those things which possibly would contribute to their welfare and bring a more abundant and easier life for them.

Is $40 per month the best we can do for the senior citizens of Canada? I do not think it is necessary to remind ourselves in this house of the constantly increasing costs of living. That reminder has been given. It should not be necessary to refer to the decreased value of the dollar in terms of purchasing power. That fact as well has been brought to the attention of the house. Yet with the increased national production, the increasing wages and salaries, these people to whom I have referred remain on an extremely low plane as far as living is concerned. They are not privileged to enjoy these things that others are able to secure.

I should like to refer to a resolution that was passed at the annual British Columbia Social Credit convention in regard to this particular matter, namely the old age pension. The resolution is as follows.

> Whereas the national government has implemented an old age pension plan that pays $40 monthly to all Canadians at age seventy years; and
>
> Whereas the present pension payments are inadequate and provincial governments are compelled to augment these payments;
>
> Therefore be it resolved that the national pensions be increased by at least $20 per month.

In advocating the increase in pensions, Mr. Speaker, I understand that the provincial government of British Columbia has also indicated its willingness and readiness to continue with the supplementary payments it has been making to the recipients of old age pension and to others in that category.

When we consider these representations and also the voices that have been raised in this house—not only those of opposition members but of government supporters as well—I think this government should give immediate consideration to increasing the pensions in order to bring them more into line with the present cost of living. As I say, with all the government supporters calling so loudly, and with

the publicity that is being given to their requests, I think possibly the government should be ready to accede to these requests and demands even though it may be that, as some have said, the matter could become one of political expediency because of the forthcoming election.

I wonder whether as many government supporters as have done so would have spoken on this matter and would have made those recommendations if they had not, somehow, had an idea or an inkling that something would be forthcoming before the conclusion of this session. Over the week end the Prime Minister was reported over the radio as saying that the government supporters had not been tipped off at all in connection with anything along this line. Be that as it may, I would suggest that they would hardly all go in opposition to government policy, in view of the fact that the Minister of Trade and Commerce warned them all to toe the party line and said that if they were willing to do so the Liberal party would be in power for a good many years to come. We hope the government will give consideration to these requests that have been made.

The amendment proposed by the hon. member for Red Deer puts before us a motion of censure of this government for its unwillingness to meet the challenge and bring in legislation which would take care of many of these important matters. I should like to speak on other matters in connection with health and welfare and these other problems, but I just mention them now; then later on we shall have the opportunity of referring to them more adequately.

The brief presented to the government by the Canadian Legion again calls attention to some of those problems that are very real to the veterans of Canada. Among the recommendations we find those dealing with war veterans allowance and pensions. Right now I should like to express my wholehearted support of those recommendations, and the support of this group in connection with these matters that are so vital to the veterans of Canada. I think the government should deal with them. I think they should stop this process of procrastination and should take a realistic look at these matters and bring them into line with the demands of the present day.

I am also reminded of requests that have been made on behalf of the blind citizens of Canada for a special allowance, free of means test, to pay for those services which are essential for the blind such as guiding services, etc. These matters have been brought to the attention of the government and the minister in other days. I trust they will be receiving the sympathetic consideration of the department. What I say for those I could say for the others, such as those who are on superannuation and whose income at the present time is far less than that which is necessary to maintain a respectable standard of living.

I should now like to turn to the matter of agriculture. The problems of the farmers in central and eastern Canada can best be discussed, I believe, by the representatives of those sectors. I have the privilege of representing one of the main agricultural areas in British Columbia. Because of that fact I intend to concern myself in this discussion with problems peculiar to my own province. I think they are problems to which this government is giving scant attention, if any. However, along with what I say with regard to the agricultural problems of British Columbia, I should also like to emphasize the need for agricultural policies generally applicable to all parts of Canada, wherever the need may arise. I suggest that this government have failed to appreciate the necessity for such a program of agricultural policies. They seem to be content with more or less a piecemeal set-up. I would suggest today that a policy should be drafted which would be applicable right across this nation of ours.

We have made a request for the extension of the P.F.R.A. benefits to the province of British Columbia. I believe it was last year that my colleague the hon. member for Okanagan-Revelstoke recommended that it be changed from the prairie farm rehabilitation program to the national farm rehabilitation program. I believe if that were to be done it would increase the scope and expand the benefits of this program so it would be of assistance to farmers right across the country.

The government of the province of British Columbia has sought to obtain from the government consideration of these problems on a national scale. Farm organizations have called for such a program. However, the Minister of Agriculture still insists that this cannot be expanded, that it cannot be changed into a national rehabilitation program, but that if we have projects which we believe are worthy of consideration they should be submitted individually and judged on their own merits. Here again I would suggest that rather than have a piecemeal proposition we should have an over-all program which could be applied in any part of the country where such need arose. The extension of the P.F.R.A. to include British Columbia would be of incalculable value to the farmers of that province.

I would also like to call attention to the matter of river bank erosion. This to me seems to be a very serious problem. It is a problem which is always with us in the Fraser valley because conditions are not improving very much. This is a problem which is continuing to be of very serious concern to those who live in Fraser valley. We think of the great Fraser river and its tremendous importance to the economy of British Columbia. Besides being of special value in connection with the fishing industry, being the greatest salmon river on the continent, it is designed to be a major factor in the development of industry all the way from Hope to the sea. In addition, if ways and means can be found to protect the salmon industry, the Fraser could also be a vast source of power.

This same mighty Fraser is a source of concern as well, for not only has the Fraser valley suffered serious floods but in addition hundreds of acres of the very best agricultural land have been lost through the process of erosion. I have in my hand the interim report of the investigation into measures for flood control in the Fraser river basin. This report makes reference to this particular situation, but I do not think it presents a very full picture. On page 60 of this interim report we find these words:

> There are considerable areas of river bank throughout the lower Fraser valley which are subject to erosion. Some of these areas have been protected in part by rock riprap. The channel of the Fraser river from Hope to the sea is unstable and the main thread of the stream changes position from time to time.
>
> In addition bank erosion is aggravated by navigation in certain reaches of the river particularly where small high-powered craft travel close to the banks. Further study of bank erosion is warranted.

I say that does not do justice to the problems, because they are of greater magnitude than would be indicated by a reading of this report. There was, however, one matter in which I was interested; that is the reference to bank erosion being aggravated by navigation. I remember in other days when I was dealing with this matter, and brought it to the attention of the minister, the report of the engineers was to the effect that this did not enter into the picture at all. However, it is being recognized in this interim report.

Until approximately 25 years ago the federal government apparently assumed full responsibility in this particular matter. During that period they diked the slough mouths, did river clearance and rocked the river banks. However, following that period they began to pay one-third of the cost of similar works together with the province of British Columbia, the municipality, or the district in which the work was done. It was being shared equally. Following the disastrous flood in 1948, due to an agreement between the federal and provincial governments, after completion of work done by the Fraser valley diking board and dissolution of the board in 1950 the federal government would not share any additional cost for any section of the diking and rock work which had been done by the Fraser valley diking board.

Now we are in the position where the federal Department of Public Works have made it clear that they will not be prepared to contribute anything to the maintenance of work which has already been done. They will still give consideration to new work, but I believe this is a shortsighted policy because we have here an investment of hundreds of thousands of dollars; I suppose actually it would run into several millions. Now the federal government is not going to contribute anything to the maintenance of that work, thereby jeopardizing the entire investment in river bank protection. Here again I think a national policy is essential.

If the farmers of these areas are to go forward with their work with confidence they are going to have to be assured that some assistance will be given in these circumstances. In order to assist in a plan for this type of work I believe it is essential that the provincial and municipal governments know exactly what the federal government is willing to do in the way of assistance. It might be possible that the P.F.R.A. could be expanded to include this type of operation. Here again all attempts on the part of the provincial authorities to obtain any commitment have failed.

I would suggest, in view of the jurisdiction granted the federal government under the terms of the Navigable Waters Protection Act and Fisheries Act, it seems only reasonable that the responsibility in connection with these problems should be fully recognized and accepted by this government. It has been suggested, and I think this suggestion is fair, that this kind of work should be shared possibly on a 60-30-10 basis, 60 per cent being paid by the federal government, 30 per cent by the provincial authorities and 10 per cent by the district or municipality involved. I think this is a major problem to our farmers, and one of those problems which has been plaguing those who seek to produce the food for the nation.

I realize, Mr. Speaker, that there are many other problems involving the farming communities of our province. Possibly I could mention some of them to indicate that there is still a great deal to be done in the matter

of legislation which will assist our farmers in facing their great problems.

Let us consider the matter of continually rising freight rates. We all know that during the past several months interim increases have been granted to the railways, and these seriously affect those who have to obtain feed grains in my province. We all remember that freight rate assistance was reduced by approximately 50 per cent, bringing it down to about $5.50 per ton. With increasing freight rates the farmers of my area and other districts are being faced with problems and obstacles that appear almost insurmountable.

A resolution was passed by the British Columbia federation of agriculture at their twenty-third annual convention held in November, 1956. This has to do with feed freight assistance, and I would like to direct the attention of the Minister of Agriculture to this resolution just in case he has any idea in mind of further reducing freight assistance. The resolution is as follows:

> Whereas the freight assistance policy of the government of Canada amounting to $5.50 per ton basis Vancouver, New Westminster points is of great value to the stock and poultry feeders of British Columbia and eastern Canada; and
>
> Whereas the livestock feeding industry needs to procure its feed requirements at the lowest possible cost, and
>
> Whereas the livestock feeders in the prairie provinces are able to procure their feed grains at a much lower price than the feeders in British Columbia or eastern Canada due to the abundance of grain that moves outside of the Canadian wheat board;
>
> Therefore be it resolved that this 23rd annual convention of the British Columbia federation of agriculture petition the Canadian Federation of Agriculture to request the freight assistance policy of the government of Canada be continued and made permanent.

This was the recommendation of the British Columbia federation of agriculture, and I trust it will be kept in mind by the Minister of Agriculture in the event that he has any thought of further reducing freight assistance. There is also the problem posed by the lopsided tariff structure that we have at the present time. I am not going to deal with this matter at length, except to point out that it is high time the government took a serious look at this particular situation which is most unfair to the producers in my province and other provinces as well. The matter of dressed poultry and the matter of the tariff on potatoes are problems which the government should review thoroughly with a view to bringing in measures that are more in keeping with what is right and fair for Canadian producers.

On a number of occasions requests have been made for parity prices for agricultural products. I would like to refer just briefly to a resolution which was passed at the second annual convention of the farmers' union of British Columbia. This convention was held in Mission City late last fall. In the preamble the resolution calls attention to the fact that prices for Canadian industry generally have been protected for a great many years, whereas the agricultural industry has never had price protection. The resolution then goes on to state:

> . . . the farm unions are taking the stand that as long as industry has price protection, farmers are justified in expecting the same treatment and are asking the government of Canada to implement the following proposals to gain equality for farmers:
>
> (1) To institute a price support program for agricultural products, as has been done in many other countries, and thus establish a fair or parity relationship between farm prices and other prices, and eliminate the existing economic inequality between unprotected agriculture and protected industry;
>
> (2) That such parity price system apply to all farm products sold on the home market, and the portion that has to be exported should be protected by floor prices and sold at world prices;
>
> (3) That such a price support program for agriculture be established by raising the price of farm products to a parity level through federal government deficiency payments, rather than by raising tariffs on imported products;

Those are three of the recommendations contained in this particular resolution. I am not going to take time to read the others, but I would just like to call attention to these and to state that I give my support to them on behalf of the agricultural industry. British Columbia agriculture has been completely neglected as far as this government is concerned, and the amendment to the amendment presented by the hon. member for Red Deer calls attention to this glaring inconsistency. I would say that this amendment should receive the wholehearted support of this house.

I have a very few minutes left at my disposal, Mr. Speaker, and I would like to make a few observations with regard to external affairs. As has been pointed out, this subject received considerable attention in the speech from the throne. There are many aspects of Canada's foreign policy with which I would like to deal, but of course time will not permit my doing so. Although some may agree with the policies followed by the government, there are many who are greatly perturbed at the course of international events over the past several months, especially with regard to the recent crisis in the United Nations and the question as to the adequacy of the United Nations to courageously and impartially deal with the various situations confronting it.

The Suez situation has been rather fully discussed during the course of this debate. The stand taken by the British and French has been criticized by some and supported by other hon members, while others have taken what might be described as a middle of the

road position; but it would seem to me the more light that is shed on this particular matter the greater will be our understanding of the British and French position.

I have in my hand reports of speeches that have been made by different individuals which support the British and French stand, and state that the action taken by the British and French governments in relation to the Suez canal will be thoroughly vindicated by historians in the future.

I have here the report of a speech by James Cromwell, former United States ambassador to Canada, who referred to the British-French intervention. He said that by so doing they blocked Russia's program for conquest in the Middle East, and also revealed to the world Russia's plans to gain control in the east. Many other statements have been made, but I have not time to place them all on the record.

We now find that even though the United States took the stand it did, at the present time it is stating that it is prepared to take almost the identical position in case of certain eventualities in the future. I know that was denied by the Secretary of State for External Affairs, who said they were prepared to move only when they had been requested by the nations concerned. The January 14 issue of *Newsweek,* dealing with policy briefing in the United States, stated that Mr. Dulles went on to make certain points, one being:

> That if such an outbreak threatened, the administration would go to the United Nations, but that Mr. Eisenhower wants "freedom to act unilaterally if necessary".

That would indicate that the United States is prepared to take the very same action in certain eventualities as the British and French took back in the critical days of last fall. The statement has been made that the Canadian people are much in favour of the stand taken by this federal government and by our own delegation to the United Nations, indicating that public opinion is in opposition to the position taken by the British and French governments. The same issue of *Newsweek* contains this paragraph:

> The American people overwhelmingly support President Eisenhower's request that congress immediately vote him stand-by powers to send U.S. troops into the Middle East. For Americans believe, in the main, that such a big stick policy will help preserve peace by putting Russia on notice that the U.S. will tolerate no red expansion into the Arab states.

So we find that in the United States there is the recognition of a certain situation which may arise, when action comparable to that taken by the British and French would be advisable on the part of their own government.

[Mr. Patterson.]

Much has been said about Canadian action at the United Nations relative to this particular matter, and it has been stated that the position of the Canadian delegation was that they wanted to save the commonwealth. In view of certain statements which were made in this house not too long ago by the Prime Minister and the Secretary of State for External Affairs, one wonders to what extent they are desirous of saving the commonwealth. It will be noticed that they do not refer very often to the British commonwealth, possibly following the course set by Madam Pandit when she said that they do not refer to the British commonwealth but to the commonwealth. Perhaps that is the concept of this government in regard to this matter at the present time.

The over-all situation has brought me to a position where I must back up, as it were, from the position I took some time ago when I commended the Secretary of State for External Affairs and the Minister of National Health and Welfare for their work at the United Nations. I must register a protest now, which will somehow take the edge off the complimentary remarks I made on a previous occasion.

I do not believe the people of Canada can go along with the position taken by our delegation at the United Nations on some of these very serious matters. Therefore I would suggest that our foreign policy be reviewed in the light of these situations. Underneath our whole foreign policy there must be not only a recognition of exterior influences, there must be a recognition of underlying principles. I would suggest that we must press for the adoption of these basic principles in international affairs, that each nation must be recognized as sovereign within its own territory, and must be ready to respect the sovereignty of all other nations. There must also be organized international co-operation to enforce these obligations. We believe that Canada can make its most effective contribution toward the implementation of that principle while within the British commonwealth of nations. We should resist any and all efforts to weaken or sever those ties.

We believe as well in the concept of foreign trade. Canada should be ready to trade with all nations of the world on the basis of a mutually satisfactory exchange of goods and services, provided each nation will open up its ports to export-import traders and provided that in those countries where all production is under government monopoly the foreign importer shall be allowed to buy any product on the same terms as the government concerned.

In conclusion, we would encourage a world-wide program of tariff reduction, and urge that Canada work with all other nations for the achievement of convertibility of currencies by each nation stabilizing its own currency, so that at all times there may be a balance between effective purchasing power and the aggregate of prices and goods available for sale; and that the volume of money in each country be expanded only at the rate at which production and trade expand. I submit these observations for the consideration of the house. There are other observations I wanted to make, but I shall have to reserve them for another occasion.

(*Translation*):

Mr. Georges Villeneuve (Roberval): Mr. Speaker, in the first place I wish to congratulate the mover and the seconder of the address in reply to the speech from the throne, the hon. member for Edmonton-Strathcona (Mr. Hanna) and the hon. member for Gloucester (Mr. Robichaud). Not only did they deal in a masterly way with the problems of our times, and present a realistic picture of their respective constituencies, one in Alberta and the other in New Brunswick, but they did not fail to speak in support of national unity, in accordance with Liberal party policy, and as had been done by great leaders such as Sir Wilfrid Laurier, the Right Hon. Mackenzie King and the Right Hon. Louis St. Laurent. I was proud to hear my good friend, the hon. member from Edmonton-Strathcona, speak French because, as he sits beside me in this house, I have often had the opportunity to help him practise that language which he now speaks with an ease worthy of the efforts he made. I have no doubt that the electors of Edmonton-Strathcona are proud to be so well represented by their member.

The Prime Minister was particularly fortunate in his choice of a true Acadian as seconder of the address in reply. Here we have a member of that race which "knows not how to die" because it remains conscious of its role in a greater and more varied Canada, moulded in mutual respect based on mutual understanding, a perfect factor of national unity.

Mr. Speaker, as did many other hon. members, I would now like to speak of social security and more particularly of family allowances. These are so welcome to the large families of my constituency that I have been asked to make representations to have the basic rate increased. I would like however, before I do so, to go back for a moment on the history of the legislation enacted in this regard, originating from the statutes of 1944-1945, chapter 40, entitled "an act to provide for family allowances", providing for the paying of allowances for each child residing in Canada as follows: from birth to 6 years of age: $5.00 a month; from 6 to 10 years: $6.00 a month; from 10 to 13 years: $7.00 a month; from 13 to 16 years: $8.00 a month.

The above-mentioned act, which was passed during the 1944-45 session contained, however, under clause 3, a reservation to the effect that the allowance rate be reduced by $1 for the fifth child; by $2 for the sixth and seventh, and by $3 for the eighth and every following child. This proviso which was prejudicial to large families was probably the result of the insidious and unfair campaign launched by a group of people who, over the years, have dwindled to nothing and who, at that time, referred to family allowances as the "Quebec baby bonus". Future events were to show those people that they were behind the times in their social thinking for, in 1957, we find that Ontario is the province with the greatest number of children eligible for family allowances and that, due allowance being made for the population of the different provinces, Newfoundland is the province with the highest amount in family allowances.

In its 1949 legislation, chapter 17 of the statutes for that year, this government amended the act in repealing the proviso I mentioned, which had the effect of putting on an equal footing all Canadian children, whether they were from families of five children or of fifteen children. The large family had won its case. If the Liberal government of 1944-45, under the leadership of the Right Hon. Mackenzie King, can take credit for initiating family allowances, that great social legislation, in the highest sense of the word, the Liberal government of 1949, under the leadership of the present Prime Minister, deserves the congratulations of the Canadian people for dealing fairly with the large family. With regard to this point, I do not think that quantity is prejudicial to quality, otherwise the member now speaking could not be proud to be the tenth of a family of twelve, several of whom are now efficiently pursuing the object pursued by their old mother now 72 years old, who is still living in the contentment of duty done with regard to her country, the greatest asset of which always remains its human capital.

The budget for the fiscal year 1945 appropriated for family allowances the large amount of $190 million. It was the first time

in the history of this country that the Canadian mother was getting these allowances. In the fiscal year 1949, which saw the repeal of that proviso and of the decreasing rate, the amount of $284 million was set aside in the budget for family allowances. In the budget of the current 1956 fiscal year the amount of $399,240,000 is set aside for that purpose. Those who claim that family allowances have remained what they were in 1945 do not take into account the adjustment made in 1949 with the repeal of the proviso which was in the 1944-45 act nor the above figures which show the increase in the amount paid under family allowances, with due allowance for the increase in the Canadian population.

In the light of actual facts, I think the subamendment introduced on January 17 by the hon. member for Red Deer (Mr. Shaw) moving a vote of non-confidence with regard to the Government, mainly in respect of social security legislation, is hardly logical, especially so when I think that during the 1944-45 session at the opening of which the Liberal government of the day had announced the institution of family allowances in the speech from the throne, his political group voted against this very government. In fact, the speech from the throne read by His Excellency the Earl of Athlone, then governor general of Canada, on January 29, 1944, contained as can be seen on page 2 of *Hansard* the following passage:

> The family and the home are the foundation of national life. To aid in ensuring a minimum of well-being to the children of the nation and to help gain for them a closer approach to equality of opportunity in the battle of life, you will be asked to approve the establishment of a measure introducing family allowances.

On January 28, 1944, the then hon. member for Dorchester, Mr. Leonard Tremblay, moved the adoption of the address which contained the aforementioned paragraph about family allowances. On February 10, 1954, Mr. Tremblay's motion on the address was put to a vote and, among the 21 members who then voted against that motion, I find, at page 380 of *Hansard*, the name of the hon. member for Red Deer (Mr. Shaw) alongside the names of the other members of his political party who joined hands, for the occasion, with the members of the C.C.F. party, these same good Samaritans who would like today to wrest from the Liberal party the credit for being the first to advocate family allowances.

I see in the subamendment a sign of that habit of plagiarism prevalent among many members of the opposition who, frustrated by their failure to understand the needs of the population as early as the many Liberal governments which have been in power since confederation and especially since the advent of social security for Canadians of all ages and all classes, indulge in barren criticisms and take no account of the various aspects of that question. For a long time Canadians from all parts of this country have shown that they reject the tenets of an abject socialism or those of a retrograde and backward conservatism. They look upon the Liberal party as a middle-of-the-road party, having regard to the anticipated results of those various tendencies and that is why they have given that party their confidence, and rightly so, and will do so again, I hope, at the next opportunity.

I have always said and, I go on saying to my electors, especially to those who have a tendency to minimize the achievements of the Liberal administration in the field of social security that it was the Liberal party which enacted our social security legislation in Canada, which later improved that legislation and will continue to do so when the time comes and the opportunity arises.

Mr. Speaker, I believe, as do my electors of Roberval constituency, that the time has come, in 1957, to appropriate more money for social security benefits, particularly in the matter of family allowances. Twelve years have gone by since the enactment of that legislation and eight years since the last adjustment in 1949. Since then the cost of living has constantly increased so that family allowance benefits have correspondingly suffered a loss in buying power. I would therefore humbly ask the government to give the matter particular attention. I will be so bold as to express the hope that it will see to it that family allowance benefits be revised upward to as high a figure as possible. I am expecting a pleasant surprise in this regard when the hon. Minister of Finance (Mr. Harris) brings down his budget following a special recommendation from the Minister of National Health and Welfare (Mr. Martin).

Mr. Speaker, before going on to another matter, I would like to ask the government to set at $400, instead of $150 as is the case at present, the income tax exemption provided for in the case of each child receiving family allowances. In so doing the government would put everybody in the same position, from the point of view of income tax and once again would prove the very great importance it attaches to human capital, the most valuable form of our wealth, the greatest of all,

that which, providing it is accompanied by a modicum of material goods, has made Canada a country where life is particularly pleasant because of the security it provides.

I would not like to conclude, Mr. Speaker, without putting to the government a suggestion which it might find far-fetched but which, in my humble opinion, would be of very great assistance to the future development of this country. This suggestion relates to the personal income tax.

Income tax has meant tapping hitherto unused savings. The economy of this country has benefited from this use of hitherto unproductive money, money which is now at the service of progress, thanks to the distribution which is carried out by the government throughout Canada, to mention only that aspect of the matter.

Canadians who, formerly approved the selfish principle of holding back while hoping to receive, have now learned to give something in order to get something. The transition between those two states of mind was achieved in the course of fifteen years, so that now Canadians agree at least to consider the income tax as a necessary evil. Since 1940, the year when this federal tax was restored, many citizens did not file any income tax reports and many now have to perpetuate the errors, originally made in their favor, which now prevents them from expanding their undertakings as they should. That has given rise to secret hoarding of money which does not contribute to the economy of the country and which prevents the establishment of many undertakings. This initial tax evasion, besides causing worries and giving rise to other frauds in order to justify the first one, affects a great number of Canadians who would like to make a better contribution to the development of their country. Add to that the fear of income tax investigators, unnecessary borrowings at the bank for the sole purpose of better concealing the facts—which has the effect of paralysing the credit of many Canadians who would greatly need it to maintain their business, or to expand it, or to set up new business undertakings, and you have an idea of the problem caused by the haunting obsession of the original false return. Thus, the economy of the country is partly paralysed, because I do not think I am wrong in stating that the gross figure of the national business would be increased by 2 billion a year if the government declared a general amnesty for all Canadians who have filed income tax reports prior to 1957. In this way, everyone would begin from scratch without worrying about the past, but they would feel the need of making their reports in the future knowing what the consequences could be. I think that in so doing the government would lose on current claims but would gain very much in the future in revenue accruing from personal income tax.

There is a "maquis", a secret resistance movement against income tax. This movement undermines our national economy and is a major obstacle in the way of capital formation for small industries which would be likely to develop our smaller communities, and even our rural communities. Highly satisfactory manpower can be found there, but at the present time there are few openings save for common labourers who live from day to day since in their community there are no small industries capable of absorbing them.

A general amnesty of this type, by freeing so much hidden or unproductive capital, might prove the starting point of wide development of small industries in our smaller communities and, especially in semi-rural districts, would ensure progress and prosperity. This thawing out of capital in these areas will bring about a development which will make for decentralization of industry and population in this country. I am convinced, being in the confidence of a large number of business men, that such an amnesty would touch off a general economic expansion in every part of this country.

(*Text*):

Mr. D. S. Harkness (Calgary North): Mr. Speaker, I wish to add my congratulations to the many which have already been proferred to the mover (Mr. Hanna) and the seconder (Mr. Robichaud) of the address in reply to the speech from the throne. I am particularly pleased to do this as the mover, the hon. member for Edmonton-Strathcona, comes from my own province and took advantage of his opportunity to say something about the great developments taking place in the province of Alberta.

I was very relieved when the firemen's strike on the C.P.R. ended during the first week end of the present session. The dislocation and the economic loss caused by the strike were particularly evident in southern Alberta, and in that area there was almost universal indignation that the strike had been allowed to take place. It is a matter of astonishment to me that the government did not take the action it eventually did some 10 days before, and stop the strike before it began. It could have taken such action just as well before January 2 as 10 days later, and thus have saved railway and

other workers millions in lost wages and the C.P.R. and the general economy a great many more millions.

The only reasons I can see why the government did not take action before the strike started were irresolution, weakness and timidity. The government failed to face up to its responsibility to ensure that a large part of this country should continue to have vital transportation facilities. Instead of leading the country, as is its responsibility, it quite evidently waited to follow public opinion, and follow it at a great distance. Thus I think the government is directly responsible for the loss which has taken place as a result of the strike.

On several occasions in past years I have made a plea in the house for the blind people of Canada. I have said and would like to repeat that of all our social security measures, those to help the blind are the most niggardly, considering the magnitude of the disability from which these people suffer. This year the Canadian council of the blind and the Canadian National Institute for the Blind have a one-point program for improved legislation. It is for a special allowance free of the means test to help cover the day to day cost of blindness. I urge the government most strongly to institute such an allowance at the present session.

The need for such an allowance is self-evident. There are unavoidable expenses accompanying blindness, expenses for guiding, for taxis to and from work and anywhere else that a blind person may have to go. All this places the blind person at a great disadvantage economically compared with his sighted fellow citizen. That, of course, is apart altogether from the fact that the blind person's disability bars him from employment in most fields of activity.

The matter to which I wish to devote most of my time is that of the expulsion of Indians from their reserves. I spoke at some length on it last year when amendments to the Indian Act were under consideration. At that time the Minister of Citizenship and Immigration denied that any Indians were being expelled from their reserves. He said that if anyone was being expelled he was not an Indian and thus had no right to be on the reserve. His remarks are to be found at page 5178 of *Hansard* of June 17 of last year, when replying to some remarks I had made. I will not take the time of the house to read them.

This is nothing more than a form of evasion as far as this matter is concerned. The hon. member for Edmonton-Strathcona asked some questions this morning in connection with a large expulsion now taking place in Alberta at the Hobbema reserve. He asked this question: "Will the minister please explain to the house why over 100 persons who have lived all their lives on the Hobbema Indian reserve ... have now been notified that they must leave that reservation?"

To that question the minister replied that everything that is being done is being done under the Indian Act, thereby apparently implying that he had no responsibility. Then he went on to say that an appeal to the courts is provided for, and that the government should not take any action until the appeal is heard. Once more this is evading the question and evading the responsibility of the government in connection with the matter.

As a matter of fact, for some considerable time past the minister has been referring to the act as an excuse for not taking any action with regard to this matter. He said he was not on the committee which considered this legislation, and that he was not a member of the parliament which passed it. He said those who were on the committee and were in that parliament are the ones responsible, thus seeking to give to the Indians and to the people of Canada as a whole the general idea that any responsibility there may be for the inhumane expulsions which are now taking place is not on his shoulders, at any rate, but is in fact on other people, presumably those of us in the opposition as well as the other members of the house. He does this in spite of the fact that many of us fought vigorously to prevent the sections being written into the act under which the Indians are being expelled from the reserves.

The Minister of Mines and Technical Surveys is doing the same thing, only I would say that he is doing this even more unfairly than is the Minister of Citizenship and Immigration. I find that he was out in Alberta not very long ago and was questioned in connection with the expulsion of these Indians from their reserves. After following the same line as that which I have indicated, saying that everything was done under the act and blaming the Indians themselves, in fact, this is what he says as reported in the Calgary *Herald* of January 19:

"In the first place, the government is not forcing these 118 Indians off the reserve," said the minister.

That is the Minister of Mines and Technical Surveys.

"The initiative was taken by a group of Indians themselves . . ."

The Minister of Citizenship and Immigration has followed that same line, namely that if there is any responsibility it is on the Indians, that they are at fault and that the government is not at fault. He completely neglects to say that while the action may

have been started because of protests from Indians, to begin with, it is the government which carries it through, which brings the matter up before the registrar, which signs the order expelling them and so forth.

Then in this interview the Minister of Mines and Technical Surveys went on to say this, as reported in the Calgary *Herald*:

> The minister pointed out that from 1946 to 1948 the need for changes in the Indian Act and a clear definition of the term "Indian", was studied by a joint committee of the House of Commons and the Senate. Two of the Alberta members were J. H. Blackmore, Social Credit, Lethbridge, and D. S. Harkness, . . . Conservative, Calgary North.

In other words what the Minister of Mines and Technical Surveys was trying to convey to the people of Alberta and the Indians was that if anybody was responsible, the hon. member for Lethbridge and myself were responsible for their plight. As I say, that is not only unfair but it is dishonest. I was going to say that I am surprised that the Minister of Mines and Technical Surveys should be employing tactics of that kind, but I am not too much surprised at it because they are in keeping with the sort of tactics he has employed frequently in the past.

Som hon. Members: Oh, no.

Some hon. Members: Oh, yes.

Mr. Harkness: So far from my having any responsibility for the present section of the Indian Act under which these expulsions from the reserves are taking place, as the Minister of Finance well knows—he was the minister of citizenship and immigration at the time—both in the committee and in the house I fought vigorously to prevent the insertion of the definition which is in the Indian Act defining Indians and the provision with regard to deletions from band lists. I would think that ministers of the crown could at least be a little bit more honest in their presentations than to try to ascribe the opposite to the members on this side of the house.

The hon. member for Edmonton-Strathcona this morning went on to ask what would be done for these Indians if they left the reserve. He asked, "If they leave, what is being done to ensure that they will have homes to live in and incomes with which to sustain them in the future?" What is the answer of the Minister of Citizenship and Immigration to that question? He said it was a hypothetical question and that there was no call on him to answer hypothetical questions. In other words he apparently completely refuses to take any responsibility for the plight of these people, or to do anything to ensure that a great injustice is not done to them.

This whole matter has become a question of wide public concern in Alberta. Numerous newspaper articles and editorials have been written, all of them condemning the action being taken, and the government for taking it, in extremely strong terms. The general public in Alberta does not like the sort of thing that is going on there with regard to this expulsion matter and it does not like the attitude the government has taken, the evasion, the refusal to take any action and so on.

Briefly the situation is this. There are 118 Indians on the Hobbema reserve, which is about 40 miles south of Edmonton, who have been ordered to leave that reserve on which they or their ancestors have lived for upwards of 60 years and in some cases longer. This action is being taken under the Indian Act of 1951, the act upon which the present Minister of Citizenship and Immigration places all the onus, if in his opinion there is any onus. The Indian Act of 1951 provides for an Indian register and that the names of all Indians entitled to receive treaty payments and so forth and to be looked upon as Indians must be on this register. It also provides for additions to and deletions from the register. There is a further provision that any 10 Indians may protest the inclusion of any person's name on their band list.

That is a bad provision, to begin with. Everyone knows how easy it is to get a petition signed. In the present case at the Hobbema reserve, where these 118 Indians are being excluded, one of the 10 Indians upon whose protest the government initiated that action was protesting against his own mother and therefore protesting against himself being a member of the band. The thing was just as ridiculous as that. He did not know what he was signing.

We had the same sort of thing in connection with another band, namely the Blackfoot band east of Calgary, where a petition of this sort was signed. Ten Indians signed it, and then they found that they were signing against themselves. Later 8 of the 10 insisted that their signatures be withdrawn, and they had a great deal of difficulty in getting the department to accept the fact that they had signed not knowing what they were signing, and so forth. But as I say, in this particular case you have a man apparently protesting against his own inclusion on the list. Of course he did not know what he was doing.

The propriety of instituting proceedings to expel Indians from a reserve under circumstances of that sort is questionable. I think it is quite apparent that such proceedings are not fair and are not just, considering the fact that the people are still largely

illiterate, and frequently do not know what they are doing when they put their names to a piece of paper.

In addition to that, of course, this whole provision for having a certain number of Indians protest other Indians on the band list, thus starting the government to make moves to put those people off the band list, just invites difficulties and bad feeling of all kinds. It is a ready-made way of paying off grudges. If one Indian has a grudge against another he goes around with a petition and says, "Sign this, John" and "Sign this, Joe". He gets his petition signed, and then you have proceedings started to get rid of the particular Indian. It is a perfect way of causing trouble on a reserve, of dividing Indians one against another, and paying off grudges.

It is also a great way to encourage greed. In this particular case, on the Hobbema reserve oil was discovered. I think the estimated value of the oil in terms of the money which will come to the Indians is in the neighbourhood of $20 million; that is, the share of the 118 Indians would be upwards of $2 million. If the 118 are expelled there is $2 million more for the people remaining on the reserve, eventually to be divided up amongst them. At the present time they are receiving $25 a month each from oil revenue.

The act as it stands is an invitation for greedy people to try to force other people off the reserve and have more money for themselves. In other words it offends against what you might call real Christian ethics. The minister said, in answering these questions this morning, that this probably would be the last case. As a matter of fact it will be just the first of many cases. I am quite sure there is no provision in the act to make it the last case, and as a matter of fact the act lays down that any child born on the reserve can be protested for any period up to a year after its birth. There is also nothing to prevent any group of Indians protesting another group.

As far as this particular reserve is concerned, if this expulsion takes place the relatives of the people expelled will immediately protest against the persons who signed the petition and who got rid of their relatives on the reserve. Then you would have a sort of war of extermination on that reserve, and of course on other reserves, if a similar situation were to arise in which considerable assets were involved.

These provisions for deleting names from the band membership, taken in conjunction with the definition of an Indian found in sections 11 and 12 of the Indian Act, create a situation of complete unfairness, inequity and inhumanity, and the government has to initiate action to put an end to that situation immediately. The act refuses to recognize as an Indian four general classes of people; first, any one who, or whose ancestors, took scrip; second, certain cases of alleged illegitimacy; third, certain cases of alleged white blood; and fourth, for other technical reasons concerning band membership.

As long as those provisions remain in the Indian Act you will not have the Indian population of this country satisfied. They will be in a situation where they may never know when they will be forced off the reserve, and you will not have the white population believing a square deal is being given the aboriginal population.

The Indians on the Hobbema reserve are being expelled because it is alleged that three common ancestors of the 118 took scrip. Scrip was issued to the half-breeds or metis at the end of the first Riel rebellion and following the second rebellion; it was a payment of $120 or 120 acres of land, whichever was wished, and the scrip could be exchanged for land. Very frequently if a white man wanted certain lands he would go to an Indian and say "If you would like a bottle of whiskey or $10, put your name here". Then he would go to the authorities with this man, knowing he was an Indian, half-breed or metis, and the scrip was issued. The white man immediately took it over and went and got the land. That is what happened in a large number of cases.

When Sir John A. Macdonald issued scrip following the first Riel rebellion and found what had happened to most of it, he authorized its issuance a second time to the people who had been given it in the first place because they had lost their scrip, land, or whatever it was. In this particular case there is no clear proof that these three men actually did take scrip to begin with. The records on the matter are extremely confused and mixed. Whilst the government says the action taken against these 118 persons is as a result of Indian protest, the great majority of the people in that band of around 1,100 or 1,200 and the chief, all except a very small number of people, do not want these 118 people expelled; they want to keep them there.

In addition to that it was the government that produced the alleged case that scrip was issued, and they produced it first of all in the form of a document with a certain name on it. But when the matter first came up in 1954 they were not able to establish that the name here was the name of one of the ancestors; they dropped it, and then the

government, not the Indians, revived it. They said they had found more proof, and brought this in the form of photostatic copies of documents showing the alleged issuance of scrip or certificates.

No matter how flimsy the evidence, once these actions are started the government—because it has a policy of decreasing the Indian population on the reserves by a policy of integration—proceeds to throw out as many Indians as it can from the reserves. As long as that policy is followed, and as long as the act exists in its present form, we are going to have these difficulties.

I have a good deal more to say on this subject. May I call it six o'clock?

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Harkness: Mr. Speaker, before the dinner recess I had been dealing with the expulsion of Indians from reserves, and I referred in particular to the case of the threatened eviction of 118 Indians from the Hobbema reserve in Alberta. I had pointed out that these Indians are being expelled because it is alleged that three of their common ancestors took scrip, a certificate which entitled metis or halfbreeds in the period prior to 1900 to a money grant or in lieu of that to a grant of land. I had also pointed out that the business of scrip had proved to be a fiasco.

Mr. Harris: Just a question, if I may. Does that apply to all those who are involved?

Mr. Harkness: Yes, so I understand. The great majority of the lands which were granted to these people of mixed Indian blood found their way into the hands of white men chiefly for very small payments, whisky or something of that sort. As a result of the recognition of the fact that the idea of scrip was a fiasco, an order in council was passed in 1901 which returned to Indian status any person whom the Indians of a particular band were willing to have back in the band, whether or not he had taken scrip.

That should have cleared the entire issue, and there should be no effort at this time to expel persons who have been on reservations since that time and have enjoyed Indian status. Their position should certainly be clear, but under the amendments made to the Indian Act in 1951 that is not the case. The action that was taken in 1901 to reinstate people with Indian status whether or not they had taken scrip is now being overturned and negatived, by the amendments made to the act in 1951. As has been well said, the sins—if they were sins—of the father are being visited on the children even unto the third and fourth generation.

The whole matter of scrip is one which at the present time is practically incapable of proof. Not one in a thousand or ten thousand of these people could read and write; therefore the scrip certificates bore nothing more than an X and a man's name. Many of these people of mixed blood and many Indians had two or three Indian names; some of them were possibly known by two or three different names which various white settlers had given to them. Now at this stage of the game, some 60 years later, it is virtually impossible to prove definitely that a man whose name is Johnson had an ancestor by the name of Johnny Johnson who took scrip. Nevertheless on extremely flimsy ground and the allegation that their ancestors took scrip, these people are being expelled.

The minister said this morning when he was answering certain questions with regard to this matter that he hoped the people concerned would appeal. He did not say in what way he hoped the appeal would turn out, and I would be inclined to suspect that he would hope the appeal would go against them. Thus he would have the excuse of a court decision for not taking any action in connection with these Indians.

In any event I can assure him that an appeal will be lodged. As a matter of fact funds are now being raised among certain white people and various Indian bands in order to finance the cost of an appeal. One reason an appeal was not launched sooner, as I think the minister well knows, is that requests had been made to him to make government or Indian band funds available to finance this appeal. This request was refused, and as a result this general appeal for funds is now proceeding. As a result of this an appeal will be launched.

I might say, however, that in view of the amendments that were made to the Indian Act last year the position of this appeal becomes much more difficult than previously was the case. Last year section 9 of the Indian Act was amended. This section is the part of the act which defines what an Indian is, and it was amended by adding the following as subsection 6:

> Where a decision of the registrar has been referred to a judge for review under this section, the burden of establishing that the decision of the registrar is erroneous is on the person who requested that the decision be so referred.

In other words the onus of proof is placed on the Indian, who has practically no means

at his disposal to refute the allegation. For example, how can an Indian prove that his grandfather was not a white man, or that he did not have some white blood in him? How can he prove that his grandfather did not accept scrip, when all this confusion exists concerning the matter? Instead of the onus being placed on the department to prove that the person concerned is not an Indian, this amendment to the act places that onus on the poor Indian, who has little or no means of determining the facts. The position of the person being expelled from the reserve is rendered that much more difficult, and it is practically impossible for him to establish his case when it is taken on appeal to the district court.

As I said earlier, a great deal of public concern and indignation has been stirred up over this Hobbema case in the province of Alberta. The Prime Minister, the Minister of Citizenship and Immigration, and other members of the government have received numerous letters of protest and petitions signed by members of church groups, farm unions and other organizations requesting that immediate action be taken to amend the Indian Act by deleting the present section dealing with the definition of an Indian, and preventing this apparent injustice taking place.

As the Minister of Citizenship and Immigration indicated this morning, both he and his government have refused to take any action whatever. They seem content to continue following the so-called policy of integration, which apparently was decided on when the present Minister of Finance was the minister of this department. In effect it amounts to a policy of getting rid of as many people as possible from the Indian reserves, no matter what the consequences may be to the individuals concerned in terms of suffering and hardship.

The widespread indignation aroused by this particular case is reflected in many articles and editorials in the Calgary newspapers. The Calgary *Herald* during the past week has had a series of front page articles dealing with this matter, from one of which I have quoted. These have served to apprise the general public of what was happening, and as a result more and more letters are pouring in to me and I am sure to the government asking that we prevent this completely unjustified action from taking place.

In addition the Calgary *Albertan*, which has been a steady and strong supporter of the federal Liberal government and party ever since I can remember, had an extremely strong editorial on the matter in its issue of Thursday, December 27, 1956. This was entitled "The Beam in Thine Own Eye" and reads:

> Canadians are given to righteous condemnation of racial persecution, particularly of the negro, as it happens in the southern United States and in South Africa. They continually thank God that they are not as other people, given to discrimination against human beings because of accident of birth or colour of skin.
>
> In this editorial we intend to show that Canadians in fact do discriminate, not only in their actions but in their laws, against a racial minority in their midst, and in a most brutal and unjustified manner which is different only in degree from that in South Africa.

This long editorial goes on to outline the apartheid policy in South Africa and points out that we have the same thing, perhaps to a lesser degree, in Canada as far as the treatment of Indians on reserves are concerned, particularly the Hobbema Indians. The editorial then continues:

> Now look at Canada.
>
> Late in the last century the Queen, through her Canadian government, entered into solemn treaty with the plains Indians. They surrendered their claims to this land, and in return she promised them that they and their heirs could live for all time on certain reserves and would receive certain annual benefits.
>
> As in South Africa, there had been considerable mixing of the races, and there was a sizeable metis or mixed blood population. As usually happens, the proud whites tended to ostracize these half-breeds but the Indians took them in.

They go on to point out that even if the ancestors of the people concerned were in this class, the people of Canada still have a responsibility toward them. Certainly as far as the treaties entered into with the Indians are concerned, they say those people shall be considered as Indians who have followed the Indian way of life. These people, even if they took scrip, whether or not they are of mixed blood, are entitled to be considered as Indians, and in fact have been considered as Indians for some 60 years. Now they are told they are not Indians and have to leave the only life they know, the only homes they have. They must give up the equity they have in their reserve which now amounts to a considerable figure. The editorial then ends up by saying:

> The Queen has broken her word given in solemn treaty. The Canadian government, instead of implementing constructive policies for the gradual emancipation of the Indians so they can take an honourable place in Canadian society, has a policy only of inspecting their ancestors for traces of illegitimacy, "white blood" or scrip, and then visiting its punishment on the third and fourth generation.
>
> Have Canadians a right to condemn what is going on in South Africa? Certainly they have, because it is wrong. Wrong should always be condemned, even at home.
>
> It would be bad if the welfare of Canada's Indians became a subject of political controversy. Yet the Liberal government's brutal attitude, its

inability to appreciate and respect the public conscience in this matter, is one of those things which may incline some people to wonder whether it is not time for a change.

That is not a Conservative paper; that is a strong Liberal paper which speaks, I think very accurately, for the people of Alberta. They use the word "brutal" which I do not think is too strong a word to use; I think it is the right word. The treatment being given these people is brutal, it is inhuman, and it is the responsibility of the government to see that it is not continued. I call upon the government to cease immediately these expulsions and to provide amendments to the Indian Act at this present session to ensure that this state of affairs will end and that expulsions of this sort cannot and will not take place in the future.

Mr. T. H. Goode (Burnaby-Richmond): Mr. Speaker, I intend to follow the tradition set by many of my colleagues and congratulate the mover (Mr. Hanna) and the seconder (Mr. Robichaud) of the address. I would add to those congratulations a fact that I know all hon. members realize, that these two young men are among the hardest working members of parliament.

I come from a place called Burnaby in British Columbia. Most of you have heard of it over the years, and you are going to continue to hear about it until the people I represent get what I have been asking for in this house over the years I have been here. Many times I have stood in my place and said to the government that the Burnaby area was the second largest area of population in my province. During those years I presented to this house one of the largest petitions ever brought to this House of Commons. Many of my people have written to the government and to members of parliament asking for the recognition which I think is their due. Each one of you knows that I am asking again for an independent television station in Burnaby.

On many occasions I have taken up the time of committees of this house in arguing against C.B.C. specialists and the chairman of the Canadian Broadcasting Corporation, with what little ability I have, in regard to this matter. I have continually been brought up against the argument that no satellite or independent station was to be built within the A-contour of a C.B.C. station until the government changed its policy. Actually it was not government policy at all; the government were following out the views of the experts of the Canadian Broadcasting Corporation. That is what they employ those experts for.

Mr. Dunton has said to me dozens and dozens of times that I could not obtain this television station for my people because Burnaby was within the perimeter of CBUT. Then immediately after leaving the last television committee Mr. Dunton advised the government, and I say this with all respect to my colleague the hon. member for Victoria, that an independent satellite station of C.B.C. would be constructed in Victoria. Again with all respect to my colleague I must say that there can be no comparison between the two places of Burnaby and Victoria. Today Burnaby has almost 90,000 people, and I would be distressed to give the population of Victoria.

Mr. Harris: But it is so beautiful.

Mr. Goode: We have the second largest area of population in my province. It seems hard for members from British Columbia—I include the hon. member for Burnaby-Coquitlam, who has fought for me and with me on this matter—to convince civil servants in Ottawa that here are almost 90,000 people wanting something which they consider is their due. With the help of the chairman of the Canadian Broadcasting Corporation we are met with excuses and more excuses. In conversation with the chairman in Vancouver I was told that we would have to wait for the Fowler commission report. How long did we wait for the Fowler commission report in regard to increasing the power of CKWX at the last meeting of the board of governors? How long did we wait for the Fowler commission report in regard to an independent television station in Victoria?

Of course we did not wait for it. It suited the C.B.C. at that time, as it would suit them at all times, to take these matters under their own consideration, disregarding the people of any province in doing things exactly in the way they wish to do them.

It is just about time, Mr. Speaker, that this great organization changed its policy. I do not argue with the organization itself and never have, or with the way in which they do business. I argue against their policy. Everything is not wrong with the C.B.C.; they do a lot of good things. In this case, though, I again stand in my place and demand that the C.B.C. give permission for a number of companies who reside both in Vancouver and in Burnaby to be allowed to spend their own money—and by money I mean something over a million dollars—to put into operation a station which almost every person in my riding desires.

I hope I do not have to rise in my place again and mention this matter. The idea of waiting for the Fowler report goes out the

window, because the C.B.C. do everything they want to do except when somebody wants something they do not desire. Then and only then have we to wait for the Fowler report. In this case they say we must not have an independent station within the perimeter or A-contour of CBUT Vancouver, despite the fact that anyone with a television set on the lower mainland can watch channel 6 every night because it comes in just as strongly as CBUT.

If there was an effective reply to the argument I have tried to put up over the years, surely it is now going to fall down the drain, because the C.B.C. have been shown that the policy they have conducted over the years has turned against them. I have no argument with my colleague from Victoria, who has done so much to get a station for Victoria, but I in turn must speak up for my own people. We have put forward a petition in the house, as I have mentioned; I have stood on my feet in this place many times and asked for this station on behalf of my contituency. The hon. member for Burnaby-Coquitlam will support me, I am sure, when I say the majority of the people in Burnaby desire this service, and I ask the government once again if they will overrule this gentleman from the C.B.C. and allow Canadians to spend their own money in Canadian cities.

I have said many times—hon. members have heard me advance this argument on a dozen occasions—that if the C.B.C. service to the lower mainland were the only one we could get we could, I suppose, talk on the lines the hon. gentleman from Westmorland (Mr. Murphy) followed the other night, but we cannot argue in that way. In my own home in Burnaby I can receive sometimes three and often four stations from the United States and, as I have told this house so many times, Canadians in my province are going to KVOS in Bellingham and spending good Canadian money in order to impress the quality of Canadian goods upon Canadians. That is the situation, and there is no one either in this house or in C.B.C. who can argue against it.

In the last provincial election some gentlemen who were running for office spent many thousands of dollars buying time over KVOS, Bellingham, to explain their ideas to Canadians voting in a Canadian election, because they could not get time on CBUT. Perhaps it is proper that I should give notice, not only because I look terrible on television, but I give my word to this house now that I will never try to get a Canadian vote over a United States television station.

I do not want to prolong discussion of a subject which I have gone over so many times, but I would just say that the amount of Canadian money going into KVOS, Bellingham at the moment is something like $750,000 a year. That money would make rather a good profit for Canadian investors. There has been some talk at home—I think perhaps political talk—that I have represented certain interests in setting out the contentions I have presented in this chamber. I say that now because I heard "Hear, hear" from the C.C.F. benches. I say now that all I want as far as my riding is concerned is the right to have a licence for an independent television station, and then the four or five companies who wish to put up the station can have the government decide who is going to finance the undertaking. I do not have any idea who should get the licence for the station, and never have.

Turning to another subject, Mr. Speaker, may I support some of my colleagues in this house who have asked the government to consider an increase in pensions for senior citizens. I have about 7,000 of them in my riding, and I do not think for a moment that this subject should be put on a political basis. I do not think I should go home and say that the Liberals were the only people who asked for an increase, and I do not think C.C.F. members should start an auction sale at home with the object of influencing senior citizens' votes. I do not think any party in this house can either take credit, or discredit any other party, in regard to what we think about the amount of money paid to senior citizens in this country. I will make a wager now that there is not one member in this house who will say they are getting a sufficient monthly income; and I hope, Mr. Speaker, that when the session is finished each of us can go home and say, "We put through a raise for old age pensions. All of us did it, not just a few."

It seems there are a number of members on both sides of the house who have also supported an increase in family allowances. I do not know exactly if, as some hon. gentlemen have suggested, we put through a national health insurance scheme across the country and if we are going to increase old age pensions in addition whether all these things can be done at the same time. I frankly do not know; but I hope, Mr. Speaker, that if the money is available one of the things we should study is an increase in the family allowance for the young people in our constituencies. I do not think any party has the right to take credit for an increase, if there is an increase, when

each of us in turn from all sides of the house has done his part in supporting and perhaps getting an increase in these two essential social services.

When I was at home, a week before I left I had a meeting with the war veterans in my riding. Their executive committee met me in Richmond and asked me to support an increase in the married rate of war veterans allowance from $108 to $120 a month. I do support it, and I hope something is done about it at this session. Also while I was home a number of builders and subdividers telephoned and wrote me with regard to unemployment in the building trade in my riding. I could not actually believe—I suppose that is the word—all the things they told me, and I asked them to go out and get evidence as to the conditions in the building trade; whether the lack of housing money was affecting the employment picture, and whether the banks were actually refusing money to all the builders in my riding.

I have here a number of letters from builders in Burnaby-Richmond. One comes from a well known gentleman by the name of Cecil Sharp, who is with Fraser Valley Lands in Richmond. I asked him to get in touch with all the banking interests in Vancouver and in my own riding, to see whether money was available for loans inasmuch as he had told me that his firm was almost going out of business because of lack of mortgage money. I think I have permission from him to mention the names of those about whom he has written me, and I want to put them on the record.

I know that today the Minister of Public Works announced an increase in the N.H.A. interest rate, but this is what some of the financial interests told Mr. Sharp when he visited them last week. He interviewed the mortgage manager of the Mutual Life Assurance Company of Canada. Mr. Burke told him that good debentures were bringing from 5 per cent to 5.8 per cent, and that the interest rate would have to be raised to make it attractive to the life insurance companies to lend on N.H.A. mortgages. He also said they would not know anything further until the end of February or March.

The mortgage manager of the Manufacturers Life Insurance Company said his company was only interested in 7 per cent conventional loans. He said they had had one of their biggest years in 1956, when they placed over $5 million worth of mortgage money in British Columbia but only 33 N.H.A. loans. The mortgage manager of the Dominion Life Assurance Company told Mr. Sharp that Dominion in Vancouver had been cut 50 per cent over last year and were on a monthly quota. He told him they were only taking conventional loans at 7 per cent. When Mr. Moss, the manager of the Prudential Insurance Company of America, was interviewed by Mr. Sharp he said he was only interested in conventional loans at 6½ per cent.

I have a number of letters from builders in my riding, all telling a story of laying off experienced men whom they have employed over the years and trained in their method of building, until their staffs are now cut 50 per cent to 75 per cent. Some of these builders have gone out of business entirely. Whether 6 per cent N.H.A. money is going to be effective, whether the interest rate is enough, I do not know; but I hope the words spoken by the Minister of Public Works in the house this morning will at least keep these experienced crews working until the regular building season in Burnaby-Richmond starts early in March.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, in rising to take part in the debate now under way I should like first of all through you, sir, to thank the Minister of Trade and Commerce and the management of Trans-Canada Air Lines for their kind co-operation in enabling me to get home speedily on the death of my father. I appreciate their help very much. In the same vein, sir, to you, to the Prime Minister, certain members of the cabinet and a great many members of the House of Commons, may I express on behalf of my mother and family our great appreciation of the telegrams and letters sent to us on that very sad occasion. They were most welcome, and the expressions of sympathy and understanding were of great assistance to all members of our family.

At this stage of the debate on the address in reply to the speech from the throne it may seem rather difficult to believe that there are still some things that have not yet been said and which we feel should be said. It is not my intention to emphasize or repeat in any way the requests made by other members with regard to the changes they feel are required in government policy and legislation. In only one way do I wish to add my voice to those of members of all parties who have asked the government to bring in at this session improvements in the legislation respecting allowances paid our senior citizens, our blind, our disabled and our veterans.

A great deal has been said already on this subject and, as I said, I am not going to go beyond what has been said except to add that I was most interested in the remarks made a few moments ago by the hon. member for Burnaby-Richmond. I want to say to him that if what he said is correct, if the Liberal

party is a democracy and not a cabinet dictatorship, then why do they not bring in increased allowances? In the opinion of every member on this and the other side of the house the time is past when these allowances should have been increased.

There is one matter having to do with those of the low income groups about which I want to speak. I refer to the question of housing. There is still a very serious shortage of low rental housing for our aged citizens and those in the same income category. Until about eight years ago nothing whatsoever was being done on their behalf, but a start was made at that time. Some municipalities were interested and made land contributions. Some governments were interested and made grants up to one-third of the capital cost of non-profit housing on a low rental basis for our aged citizens.

Unfortunately there has never been any major effort made by the federal government to interest itself in this most serious problem. I want to give commendation where commendation is due. There is legislation which enables the Minister of Public Works to make a contribution through Central Mortgage and Housing Corporation to housing for our senior citizens by way of mortgage at an interest rate not greater than 1 per cent more than the rate paid by the government on its own borrowings. However, I feel we have now reached a point with respect to the serious problem of supplying low rental housing for our old age pensioners and others in the same category when there is not only a request but an insistent demand that the federal government show greater interest in the problem and make a greater contribution to its solution than providing mortgage facilities.

Some seven or eight years ago, with a grant of land from a municipality for the nominal sum of $1 and a capital grant of one-third from a provincial government, it was possible to provide good housing for a couple for approximately $22 a month. With the increased costs of construction I can say with authority that now, even with the land free from the municipality, a one-third grant from a provincial government and a mortgage loan from the federal government at 3¾ per cent, it is not possible to make a good home available for a couple for under $35 a month. I know whereof I speak in that regard.

At the pension rates we have in Canada people cannot afford to pay even $35 a month. The low income groups cannot do so. I believe it is only fair that the entire responsibility should not be left on the municipality and the provincial government. Instead, I think the federal government should give most serious consideration to matching the grants of the provincial governments in order that we can take care, on an increased scale, of the housing needs of our senior citizens. I hope the government will give some thought to the matter. But if they will not do so, Mr. Speaker, I would most certainly request that they do not put obstacles in the way of those who want to do something about the situation.

Unfortunately this government puts obstacles in the way of those who want to do something about giving good houses to our old age pensioners. Under the acts of the provincial legislature in their making of grants, and under the terms under which money can be borrowed from Central Mortgage and Housing Corporation, first of all it must be done by an incorporated company; it must be a non-profit company, and it must put up a certain amount of cash. But when you have churches such as the United Church in British Columbia, an organization such as the Swedish association in British Columbia, an organization such as New Vista in Burnaby and a fraternal organization like the Rotary club at Kelowna interested in this problem, the cash required must come through donations, and we find that as a general rule donations mostly come from the same source.

Those who are willing and able to give also expect that under the Income Tax Act the donations shall be allowable as charitable donations. Mr. Speaker, this government does not allow, under the Income Tax Act, deduction for purposes of income tax of donations to any non-profit, incorporated organization trying to meet the government's responsibility in supplying homes to old age pensioners and those in the same low income category. We know that. We have the ruling of the legal department of the Minister of National Revenue that such donations are not covered and cannot be covered.

That being the case, Mr. Speaker, surely it is not asking too much of the government that, if an amendment is required, they introduce at this session the required amendment in order to take care of the church and fraternal organizations that are trying to do the job that should be the responsibility of government. At least do not put obstacles in their way.

I would also ask you to note this fact, Mr. Speaker. The reason we are turned down by the legal department of the Minister of National Revenue is that we are operating a business. Mr. Speaker, I think there would be a revolution in this country if you tried to tell those who donate to the Y.M.C.A., the Y.W.C.A., or the Salvation Army that they

could not have exemption under the act because they are operating a business. They are all operating a business in connection with hotels and hostels, the renting of rooms, and doing a wonderful job; and they are sustained to a great extent by charitable donations, directly or indirectly, through the community chests and the red feather drives. Yet, Mr. Speaker, when it comes to the provision of homes for the aged on a low rental basis, the government says, "You cannot have any exemption".

Just the other day we heard the Prime Minister tell us about the new Canada Council —that is a wonderful thing and something which is long overdue—and he emphasized the fact that provision would be made that donations given to this council for the advancement of culture and the arts would be exempt as charitable donations. Mr. Speaker, I agree with that course. But I say it is a confounded shame that the government should boast that they are going to make provision for the exemption of gifts for the advancement of culture and the arts, and refuse the same right for the building of homes for the aged of the Dominion of Canada. I certainly hope that something will be done about the situation. I am interested in the advancement of culture and the arts. Maybe I need some myself. But I am interested first of all in decent homes for those who have built our country, and the government should have the same interest.

To go on from that point, there is another matter I desire to raise. It may seem small, but to many it is important. I am extremely grateful that the Minister of Labour is in his seat, because I am certain he will take note of it. Under the British North America Act there are divisions of jurisdiction as between the federal government and the provincial governments. One of the responsibilities and jurisdictions of a provincial government is the enactment of legislation on hours of work. Legislation varies in the different provinces of Canada, but most of the provinces are interested in hours of work and they make laws as to how many hours it is lawful to work in a day and how many hours it is lawful to work in a week.

It always happens that law is behind what has become general practice and what is the demand of organized labour. But it seems to me only reasonable to suppose that any activities of the federal government or of any department under the federal government would be in line with the laws of the province, or would be of such a nature as not to discriminate against people if they want to live up to the laws of the province. Therefore through you, Mr. Speaker, I want to say to the Minister of Labour that I think it is wrong that the attitude of the unemployment insurance commission should be that if a person becomes tired of working too much overtime, finally rebels against working too much overtime, even above the trade union agreement and the law of the province, and quits the job because of the overtime, then when he makes application for unemployment insurance he should be told, "You are not eligible because you did not have a legitimate reason for quitting the job".

I know this applies in particular to one phase of operations. If a woman is single, works overtime and does not complain, then after being married if she does not want to work excessive overtime but wants to go home after work she is denied lawful hours. The unemployment insurance commission says "You are now married. You did not object to this overtime when you were single, so you have now no reason for quitting your job. You are not eligible for unemployment insurance".

Mr. Speaker, I assure the Minister of Labour that I am not talking through my hat. I have cases; I have decisions. I have on my desk one decision of the appeal board that such is the rule and such is the policy. I just want to say through you, Mr. Speaker, to the Minister of Labour that it is definitely wrong, and I sincerely hope he will interest himself in that one little phase of a large operation; because it is not only wrong in principle but is placing a burden on people who do not wish to work overtime but are forced to do so. If they quit their jobs they are not eligible for unemployment insurance. Surely in our country, in our provincial and our federal policies, our goal should be that everybody should work reasonable hours. As long as we have immigrants who want to come here and are told they cannot because we have no employment, then we should have a federal policy which coincides with provincial law on hours of work in a day or a week.

There is another subject which I will not discuss at any length because, as I said, I do not wish to take up too much time in this debate. It is an important subject. I merely wish to ask if and when this government is going to give at this session some information to the people of Canada and in particular to the people of British Columbia as to what government policy is going to be on major developments in regard to international rivers. It is not enough to read in the papers about surveys and studies. They may extend over many years, and the developments about which I have read recently perhaps will not be undertaken for 25 years. The problem of the Columbia river is of such a nature that

there should be some indication by the government now as to government policy and co-operation between governments as to development of that great resource of British Columbia.

One of the great regrets in my years in public life is that we have to wait until the last moment to find out what a government has in mind. The speech from the throne was one of the most barren documents I have ever heard or read in my life. It gave no indication whatsoever to the common people as to what they might expect. We all know there is going to be an election this year, and the major guessing game which is going on across Canada today is trying to find out what is government strategy. To me it appears that the government strategy is to wait until we have been here a few weeks; then perhaps have the Minister of Finance bring down the budget; then ask for six months' interim supply, and then dissolve the house, when the members of parliament will have no right to discuss the people's business or to interrogate on government policy.

It will be a marvellous thing when we have true democracy in this country. That will be when we have a government that operates on principle and not on political election expediency. It has always been that way in the past but there is no reason why it should be that way in the future. There is no reason why a government should have to use a strategy for election purposes. In the same light there is no reason why an opposition should have to use parliament for election strategy purposes. Sometimes, however, the hands of the opposition are forced in trying to force the hands of the government.

Mr. Speaker, I opened by giving you the thanks of our family for your expression of sympathy on the death of my father. May I conclude with the final words that man, who was for 24 years in the British Columbia legislature, left as his epitaph. I think if we will guide ourselves, as government members or as opposition members, by these four lines we will have a greater Canada, more democratic and more honest elections:

> Not as a ladder from earth to heaven;
> Not as a witness to any creed.
> But simple service, simply given,
> To his own kind in their common need.

When parliament follows that rule we will have democracy.

Mr. J. A. Habel (Cochrane): The mover (Mr. Hanna) and seconder (Mr. Robichaud) of the address in reply to the speech from the throne deserve our sincere congratulations. Both these hon. members delivered very interesting speeches, and in so doing brought credit upon themselves and honour to their constituents. The hon. member for Edmonton-Strathcona lived up to the trust placed in him by the Prime Minister. Although I was not present when the hon. member spoke I read his speech in *Hansard* and found it very interesting. I should like to congratulate him for having spoken in French as well. This is a mark of good will that is deeply appreciated by all Canadians of French descent. The hon. member for Gloucester is also deserving of my felicitations. His talent as a good speaker was already known in this house, and on this occasion his words were carefully chosen and were most interesting to read.

May I digress for a moment, Mr. Speaker, to tell the hon. member for Restigouche-Madawaska, although he is not in the house and no member can ever be sure when he will be in the house—

Mr. Dufresne: We never know when you are in the house, either, because this is the first time you have spoken.

Mr. Habel: Speak for yourself. In answer to the hon. member for Quebec West I would only say this much, Mr. Speaker. We have had to listen to his ballyhoo for three or four years, but most likely after the next election we will not see him any more.

I was going to say, for the benefit of the hon. member for Restigouche-Madawaska—I hope he will have occasion to read my words—that had he understood the speech of the hon. member who seconded the address in reply to the speech from the throne he could have learned a lesson in politeness and reasoning. This lesson would have been very useful not only to the hon. member for Restigouche-Madawaska, but would have been of great benefit to the Conservative members who are so uneasy when the hon. member for Restigouche-Madawaska indulges in petty politics, trying to belittle not only hon. members in this house but even the ministers of the crown.

I know that some will cry, "Heavens, we are in a democracy". With that I fully agree; but we will have democracy only as long as opposition party members will criticize loyally the policies of the government, rather than trying to belittle men who enjoy the confidence not only of the electors they represent in this house but also of the majority of the people of this country. After all, what achieved the election of the great number of Liberal members who were returned to this house in 1953 if not the policies and the integrity of the right hon. Prime Minister and his cabinet? It is normal indeed that

the opposition may differ in its opinion on ways and means, and it is the duty of the opposition to criticize where it is felt better things could be done; but why not suggest constructively rather than criticize destructively, as does the hon. member for Restigouche-Madawaska?

I think also of the hon. member for Broadview, a young man who appears to have had rather a fair schooling but who cannot participate in any debate without rehashing his old song "Tired Old Men" when he refers to the ministers. He seems to forget that the Tory party and government of Great Britain was led by a man much older than our Prime Minister but who on many occasions showed that he had more brains than many young would-be politicians like the hon. member for Broadview, who also appears to have forgotten that his father was born before him, and how lucky he is that this was so.

Mr. Speaker, if I mention these two hon. gentlemen it is not because I want this house to think for a moment that I hold a similar opinion of all members of the opposition. I have great respect for all hon. members in this house whatever party they belong to; and moreover, with regard to some who may have a slip of the tongue in the heat of a discussion, it is soon forgotten. But to a very few, and especially the two hon. members I have mentioned, I would say beware; for in the long run you will notice that you are not helping your own party by belittling men like those in the cabinet today. They have proven by deeds and not simply by mere words that the confidence placed in them in five elections has been justified; and should there be an election early this summer I am sure the Canadian people will return the same men to office.

You have a new leader, and I congratulate him on his appointment as such. Would it not be better for Conservatives to try to build up their party to be worthy of more confidence on the part of the Canadian public, rather than attempt to undermine men who have served so faithfully and so well not only the party to which they belong but the whole of Canada; and I would say even outside of Canada, for it is no secret that all the ministers who have represented us in other countries have been a credit to this nation. Please notice I said "nation" rather than referring to the party to which they belong, because when they are abroad they think and act on behalf of the nation.

(*Translation*):

Mr. Speaker, I have no intention of posing as a master in democracy but I did feel it my duty to make those few remarks in the hope that they might be useful. After all democracy will survive as long as public men respect authority, truth and justice and even the electorate.

Opposition parties seem to find the speech from the throne lacking in a sufficient number of new measures. I feel sure that, before the end of this session, we shall hear them say that what new legislation or changes are suggested will be only brought in because of a forthcoming general election. This of course, as I have said, is rather normal. Nevertheless, if I am any judge of public opinion, when the people of this country will be called upon to judge between actions and promises, it will give the government another vote of confidence. This vote of confidence will go to a government which possibly did not do all that was requested of it . . .

Mr. Dufresne: Certainly not.

Mr. Habel: . . . but which, I am convinced has done a lot and for the general good of everybody.

Mr. Speaker, the people I have the honour to represent here include farmers, settlers, professional men, merchants and all kinds of workers. The extent of the constituency of Cochrane is such that it is more an empire than a county. A rather extraordinary fact is that, from one end of the county of Cochrane to the other, various groups, whatever their origin, live in perfect harmony. The various classes of people live together in one happy family. When I see that happening in my constituency, I wonder why it cannot be the same the world over.

My constituents are appreciative of the work done by the present government to maintain peace in the world. They have the greatest respect for the hon. Secretary of State for External Affairs (Mr. Pearson) who plays such an important part on behalf of the government of Canada in international affairs.

Like many other Canadians, they would welcome a reduction in our national defence budget but they fully understand that, as long as communist Russia nourishes the same ambitious designs, we owe it to ourselves, and to future generations, to maintain a moral and spiritual force and even an armed force to provide for all emergencies.

In a speech I delivered before a social club, early last October, I stated my conviction that the majority of the people now behind the iron curtain are not communists, and I am still convinced this is so. A few weeks

after that speech, Hungary was in a turmoil and this gallant nation would be today a free nation if Russian tanks and machine guns had not interfered with her freedom. How courageous this nation was to try to overcome such an intolerable situation. We must therefore welcome with open arms these refugees who suffered so much and whose only dream is to gain freedom.

There has been a spontaneous response to the appeal of the hon. minister of immigration (Mr. Pickersgill) just about everywhere in Canada. And I am proud to say that in the town of Kapuskasing, where I live, a committee has already been formed, which includes various religious confessions, to take care of the Hungarian families who might want to come there. His Excellency Mgr. Louis Lévesque, Bishop of the diocese of Hearst, asked that each parish manage to receive at least one family. This organization is doing fine and should the opportunity arise, these families will be welcomed with the best of attention.

The Spruce Falls Power and Paper Company, of Kapuskasing expressed its willingness to hire Hungarian workers. I imagine that those men will want to bring their families along with them. So although housing is at a premium in our town, the committee is busy finding dwellings for them.

It may be that, in a country as prosperous as Canada, there had to arise such tragic circumstances to make us realize and appreciate our security properly, from the spiritual as well as from the material point of view.

There may be people, though not many, who believe that we are doing more than our share in admitting all these refugees, but I hope that, when they understand what a blow these patriots dealt the Russian bear and communism, not only in Hungary, but in France, in Italy, as well as in all the countries where the devotees of communism have been a constant menace, they soon will change their minds.

Now, Mr. Speaker, there is a point on which I would like to say a few words. I shall do so by reviewing a situation that might be forgotten in times of prosperity, even with the best of intentions. I am speaking of taxation, of the income tax.

The opposition parties claim that the income tax is far too high, and that we must cut down expenses. Curiously enough, however, they dare not say where and how to cut them down.

Mr. Dufresne: We have told you already.

[Mr. Habel.]

Mr. Habel: Would they agree to a decrease in the national defence appropriation? I doubt it. Would they agree to a curtailment of social legislation benefits? Again I doubt it, especially before an election. Would they welcome a decrease in the amounts voted for public works? Judging by the requests made even by the opposition parties when the estimates of the public works department are before the house, those appropriations should be increased to satisfy them. Would they agree to cut the salaries of the civil servants who are surely not overpaid? Again I doubt it since they seem to take such an interest in them, especially before an election.

They talk about a surplus, as if we ought to be ashamed of it, forgetting that a surplus means that our country is even more prosperous than we could foresee.

Mr. Speaker, I am no socialist but I find that we are very fortunate to have a planned economy in Canada. Is not all this outcry about a possible surplus as well as about income tax simply a political shenanigan? For my part and I speak, I think, in the name of the majority of my electors, I would rather be in a position to pay income tax rather than go back to a depression such as we experienced under the Bennett administration.

Mr. Dufresne: Brought on by the previous administration.

Mr. Habel: I did not understand the hon. member's interruption.

Mr. Dufresne: A depression brought on by the former regime.

Mr. Habel: By people like you, opportunists who know not where to go. Yet, Mr. Bennett had promised . . .

Mr. Dufresne: It is not very convincing!

Mr. Habel: . . . a full lunch pail and at least $5 a day. Paying taxes when there is full employment, when we are enjoying as we do today a booming economy is not the worse of all evils.

During the economic depression, that is the years 1930 and 1937, the constituency I have the honour to represent today was nothing more than a pioneer settlement, and having then the honour and the task of representing that county at the provincial legislature in Toronto, I had there an experience that I would not want to go through again. Rather than suffer the misery of those years, the people of the constituency of Cochrane prefer

by far to be subject to income tax when their income warrants it. During the last election campaign, some of the speakers who were supporting my conservative adversary, tried to discredit income tax. But the electors, particularly those who had known the depression years, still remembered what they had been through, and they did not refrain from interrupting those speakers to tell them that they would much rather pay income tax than go back to the unemployment relief or pittances of 20 cents a day.

No, Mr. Speaker, Canadians enjoy social laws and the administration of a democracy which serves the people. Therefore people understand too that the money for national defence, for social laws and family allowances, for old age pensions and pensions for the blind, the disabled, and the veterans; and the grants for hospital construction, and so on, has to come from taxes. And since he enjoys the benefits of a democracy with truly Christian social laws, the citizen of Canada also understands his obligations. And those who have to pay income tax do it, as a rule, willingly.

I would not have to dwell on this matter, except perhaps to say, incidentally, that it would be appropriate to study the situation as it is today, and with due regard to the high cost of living. For families and individuals alike, there may be reasons in favour of raising the basic exemption. Even if families receive children's allowances, the price of food, rent, clothing and our Canadian standard of living have increased to such extent that the present exemption must seem obsolete if it is not balanced by a quite considerable increase in social security benefits.

I would ask the hon. Minister of Finance (Mr. Harris), on behalf of all those I represent here, if there is no way of increasing the basic exemption for bachelors to $1,500 and for a married couple to at least $2,500 and perhaps $3,000 if possible. It is true that we are speaking of health insurance, which, if voted, would mean further expense. But, until the provinces show enough interest in this project, such increase of basic exemptions would seem feasible to me.

As regards the possible surplus at the end of the fiscal year, part of it might be used to increase old age pensions, which would be a great help to a great number of my fellow citizens. On that point, Mr. Speaker, I would add that the provinces are very slow to give our older citizens the additional amount they might need. Yet, when the federal government undertook to pay $40 a month, the province of Ontario was thereby saved a very large sum of money which it could easily have used, at least in part, to pay an additional amount in case of need. For our older citizens who have no other means of support $40 a month is indeed insufficient. Provinces which are not as rich as Ontario pay such additional amounts, and it is hard to understand why that province shows such reluctance to do so.

For my part, Mr. Speaker, I would like the government to increase not only these pensions but also family allowances, as suggested in many requests from my constituents. Since their inception these allowances have contributed to raise the standard of living of many families of modest means. An adjustment which would take into account a rise in the cost of living would have great moral value in a number of homes. I will even go so far as to say that it is absolutely necessary, because of the constant rise in the cost of living.

Another point on which I would like to touch, Mr. Speaker, if I have time, is the delicate matter of a truly distinctive Canadian national flag. There is nothing new in this as far as I am concerned. In 1939, when Their Majesties the King and Queen were visiting this country, I spoke in the legislative assembly in Toronto and deplored the fact that we were the only nation in the commonwealth that had no distinctive flag with which to greet its sovereigns. On this point, Mr. Speaker, I think that the suggestion put forward by the hon. member for Lake St. John (Mr. Gauthier) is very valuable. His suggestion is that the leaders of the various parties here arrange for consultations in order to arrive at a solution so that this matter of a choice of the flag will not be a political bone of contention. After all, Mr. Speaker, this problem of a flag which is symbolic of the very heart of a nation, should be resolved by the various party leaders, and the Canadian people would be all the better for it.

I should also like to say a few words about the trans-Canada highway. In my constituency, the highway connecting the east and west boundaries is the only true trans-Canada highway at the present time. In 1941, the Ontario government, a Liberal government at the time, opened to traffic the 153-mile highway connecting Hearst and Geraldton, which gave us then a fully Canadian highway. Since then, that highway has brought in tourists and has been used for transportation generally. In fact, I would like a survey made of the number of heavy trucks using that highway. I am sure the government would be surprised at the ever growing number of its users. Who knows, such a survey might lead to an agreement with the provincial government whereby that high-

way would be considered as part of the trans-Canada highway, not only because of its importance from the commercial and touristic point of view, but specially from the point of view of national defence. Highway No. 11 is already in existence and useful; no one can ignore its importance from the point of view of national defence as well as for trade and tourism.

In this same connection, I wish to join with the hon. member for Chapleau (Mr. Gourd) to ask the Department of National Defence as well as the Department of Public Works to consider the possibility of connecting northwestern Quebec with northeastern Ontario. To connect Norembega, in Ontario, to La Reine, in Quebec, there remains only a distance of about 40 miles to complete that road. The soil is well suited for road construction. There would be perhaps a few bridges to build but, if the federal and provincial governments came to an agreement, the cost would be rather insignificant when one considers the usefulness of a road which would shorten considerably distances between Quebec, Montreal and western Canada.

Mr. Speaker, I conclude by thanking the house for its forbearance and by assuring the government that the population of my constituency has the greatest confidence in the future of our part of the country, especially now that we are sure to get natural gas, a most essential product to the early development of an area filled with prospects and minerals of high value. Owing to natural gas, we look to the future with hope. In a few years the constituency of Cochrane will be among the most prosperous constituencies in our province as well as in the country.

Now Mr. Speaker, the subamendment and the amendment constitute a non-confidence motion in the government; so, I don't have to tell you that, on behalf of my constituents, I will vote against those two motions. I trust that the present government, conscious of its responsibilities, will go on improving our social legislation every time the opportunity arises.

So Mr. Speaker, I believe that, should there be an election this year, the constituency will keep faith with the government which, for more than 20 years, has been leading our country with a touch that is envied by so many other nations as well as other political parties in our own country.

(*Text*):

Mr. J. W. Murphy (Lambton West): Mr. Speaker, there is no problem which concerns the Canadian people so much at the present time as that of the value of their dollars. To the man on the street the exercises of the Bank of Canada in tampering with the bank rate and the apparently fuzzy money policy are bewildering. The government's tight money policy, supposedly intended to control inflation, has only aggravated a serious situation. This is altogether too evident when one considers the difficulties of Canadian municipalities in financing their debenture issues. The whole unhappy business filters through the house construction industry and injures enterprises large and small all across the country.

It is being reflected not only in the decrease in the number of houses being built, but in its adverse effect on the small businessman who is experiencing difficulty in obtaining loans for his month to month operations. To cut a long story short, it is getting to the point where it is being reflected in higher prices all across the board. The rising cost of living is now exerting a real pressure on Canadian family budgets, and the house will await with real concern the statement promised by the Minister of Finance on this subject.

While on this subject of rising food prices I might mention that the Minister of Justice has not yet, I understand, declared his position with regard to the latest curse in merchandising, the gold bond stamp, the blue chip stamp or, in other words, the premium stamp. Retailers and retail organizations across the country are definitely opposed to this new gimmick which was introduced by one retail organization to beat the competition of all others in the same line of merchandising. It may rest with individual crown attorneys or with the provincial attorneys general to take action in this situation, but it would appear nevertheless that some leadership might be forthcoming from the federal government and the Minister of Justice.

These stamps by their very nature contribute to inflation, which is something that should concern the Minister of Finance as well as the Minister of Justice. The retail organization or association of Canada contends that the use of these stamps in a so-called give-away program only adds to the cost of doing business. The chain stores and others in competition operate on a very narrow margin of profit and depend entirely upon a vast volume of sales. Because of this narrow margin of profit these retail stores cannot afford to give away something for nothing. Consequently housewives are being duped day in and day out into believing they are gaining valuable premiums for nothing as they purchase family supplies.

Actually the contrary is the case. Ever since this stamp business was introduced the

prices of many staple items of food have been edging higher and higher; in other words, prices have been increased to take care of the cost of the stamps and of the premiums that are given away when the shopper accumulates a sufficient number of stamps.

Before this merchandising curse spreads to the extent that it has spread in the United States and fastens itself upon the economy as a multi-million dollar leech, some government action should be taken to eradicate it altogether.

I think, Mr. Speaker, that action should be taken without delay. This is a most deceptive practice, but unfortunately many shoppers cannot see through the idea and have been sold on the notion that by obtaining these stamps when they purchase their grocery requirements they are actually getting something for nothing. I do not think any hon. member of this house, regardless of the party to which he belongs, would not agree that this is a practice which should be stopped, and I think it must be stopped at the highest government level without delay.

Mr. Speaker, since coming to this house in 1945 I, like many other members of the official opposition and others, have made proposals to the government concerning the plight of the municipalities across this country. As an illustration, we have urged that crown companies should be subject to taxation in the same way as any other industries in a municipality. The government through one of its senior ministers opposed that idea for several years and it was not until 1949 that a formula giving effect to our views was adopted, the same formula that was prescribed by me in the five years prior to its announcement.

It took repetition to have this idea accepted by the government and, Mr. Speaker, I make no apology tonight for again bringing to the attention of the government the plight of the municipalities. If the matter is as serious as we claim it is, and I am sure government members must know how serious it is, it bears repetition. We have advocated in the house that crown property in any municipality be subject to taxation. Some few years ago after considerable argument a 4 per cent fringe, so to speak, was put on, and if crown property amounted to that percentage of the total assessment there was payment in lieu of taxes. That was later reduced to 2 per cent, and I am happy that this year the 2 per cent has been removed so that crown property is wholly subject to taxation.

That is one very minor form of relief to which the municipalities are entitled, but it is still not enough because, as we have said over the years, the senior government is getting such a high proportion of the tax dollar that it is squeezing the junior governments to such an extent that municipal bodies find themselves today in a straitjacket, hardly able to raise enough revenue to do the necessary financing to take care of administration, schools, sewage disposal and all the services required by the people living in the municipality.

According to the dominion bureau of statistics, in 1939 the federal government received 48 cents of the tax dollar, the provincial governments 22.3 cents and the municipal governments 29.7 cents. At the present time the federal government has increased its share to 77 cents of the tax dollar while the provincial governments have been reduced to 12 cents and the poor cousins of the senior government, the municipal governments, have had their share reduced to 11 cents.

I think everyone will agree that it is actually at the municipal level that you get the most for the taxpayer's dollar, and it is most unfortunate that in our growing cities today home owners find their taxes are so high that they almost wonder whether or not they should have bought a home. Certainly in this day and age we do not find, as we did years ago, homes being constructed for rental purposes. That time has gone, and I do not expect it will ever come again.

I would urge the government to consider the idea we have advocated for several years, one that several members have put forward much more forcefully than I have ever been able to, namely that the sales tax that municipal governments have to pay should be abolished. No provincial government pays a sales tax. The municipal governments are in a more serious situation than even the provincial governments, and I submit in all fairness that is all the more reason why the sales tax on their purchases should be removed.

I had a telegram today from our city manager in the city of Sarnia containing the information that sales tax paid by the city in 1956 and by contractors working for the municipality amounted to $150,000. For a city the size of Sarnia that means less than $4 per head, but after all is said and done it is no small amount inasmuch as it is the home owner who has to bear the burden of all the financing that is necessary in a municipality. I hope this principle can be adopted during the present session and made applicable to every municipality throughout the country, because I do not know of a municipality that would not be very grateful

for this much relief per capita by way of exemption from sales tax.

As hon. members are aware, in the United States municipal taxes on a home, for instance, are deductible from a person's income for income tax purposes. We have suggested before in the house that this principle be applied in Canada, and I urge that the government follow suit or at least consider the necessity for taking such action. It has worked out fairly well in the United States, and I think it is one measure we could adopt with profit and a great deal of satisfaction to the home owners of Canada.

I am going to speak for a moment about the Sarnia Indian reserve, inasmuch as I had a question on the order paper recently asking the amount of money paid to the city of Sarnia in the year 1956. My question was:

What amount, if any, was paid by the federal government to the city of Sarnia for work or services of any kind in connection with the Sarnia Indian reserve for the year 1956?

This was the answer given by the Minister of Citizenship and Immigration:

Water supplied to council house, etc. ..	$ 113.37
Fire calls	375.00
Sarnia board of education (tuition)	1,862.22
Sarnia separate school board (tuition) .	280.00
	$2,630.59

I feel that this matter must be brought to the attention of the house and the government again, because we understand that the Minister of Citizenship and Immigration now has the responsibility of determining what amount will be paid by the government for services to any Indian reserve. In a letter to me of October 31, 1955, concerning this matter and in reply to a letter I had written to the Minister of Finance, the Minister of Citizenship and Immigration said:

My colleague, the Hon. Mr. Harris, has referred to me your letter of August 29 in connection with a request from the city of Sarnia for payment for services provided to the Indian reserve within the limits of the city.

Incidentally, Mr. Speaker, it will be of interest to hon. members to learn that this particular reserve is now actually in the process of being sold at a consideration of some $7 million, though it may take some time before the transaction is completed. Therefore you can appreciate that we are not dealing with a very small project. If the deal goes through it will be one of the largest real estate deals that has ever taken place, in fact I think the largest in Canada. This is Indian property, and it is within the confines of the city of Sarnia. The minister goes on to say:

The June 15, 1955, amendment of the Municipal Grants Act excluded Indian reserves from the definition of "federal property" and consequently it has been necessary to consider an alternative arrangement to enable payment for services provided by municipalities to Indian reserves. It is hoped that shortly we will be able to deal with claims from municipalities for such services, at which time the matter will be taken up with the clerk or the manager of the city of Sarnia.

The return I received showed that the amount paid to the city of Sarnia was $2,630.59 for 1956, but the telegram I had today from the city manager indicates that only $375 was paid to the Sarnia city treasury by the federal government in connection with the Sarnia Indian reserve. As a matter of fact the amount asked for by the city of Sarnia was in the neighbourhood of $27,000 per year for services rendered to the reserve, and the city contended that amount was rightfully owing to the city for such services.

I submit that in all fairness there is no reason whatsoever why veterans, young people and our older people should be obligated to pay for services amounting to $27,000 provided to this reserve, when realty sales have been made over the last two years at the rate of some $2,000 per acre and considerable acreage has been sold. Hence it is not working any hardship to those who are living on the reserve. I therefore think the government, in all fairness, should make it a policy across this country that where a municipality services an Indian reservation, that municipality should be reimbursed for any amount it has been required to spend for that purpose.

There is another matter, Mr. Speaker, with which I should like to deal for just a moment. Down in our section of western Ontario we have an extremely high-grade agricultural area specializing in cash crops in order to give a return commensurate with the capital investment in the property. We have farms in many areas down in western Ontario where land values are $200, $300 and $400 an acre.

The point I am making is this. Where these people must engage in specialized farming, it is necessary that these growers or producers obtain the necessary help at the necessary time. Down there we have early vegetable growers, sugar beet growers, fruit growers and so on. I know that last year the acreage in sugar beets was small and that the canners could have taken in a good deal more fruit and vegetables had the producers had available to them the necessary labour. However, it was not available.

In connection with the government's immigration policy, I think they will agree with me that a small portion of 1 per cent of the immigrants are capable of doing this sort of work, but there are people from various countries in Europe who can readily be trained. I would suggest that it should

be the policy of the federal government to see that those in these specialized industries, such as the fruit and vegetable growers in Essex, the sugar beet growers and the tobacco growers, get the required help at the time they actually need it. It is no good to have this help coming in a week or two after it should have been there.

I hope and expect that the government's immigration policy, through the minister, will be such that the necessary labour to take care of the proper cultivating and harvesting of these crops will be made available in co-operation with organizations requiring this specialized help. I have, as I am sure have other members, a petition or resolution from the flue-cured tobacco growers and from other organizations sent to the government asking for specialized help to harvest their respective crops. I therefore hope the government will not handicap these producers and processors, but will do what is necessary so they may continue to survive as an important segment of our agricultural economy. They must not be handicapped by any policy or lack of policy of the government.

Another matter with which I wish to deal just briefly, Mr. Speaker, is this, and I think that every hon. member will agree with me that it has considerable merit. I refer now to the cases of war veterans who are petitioning the pension board for pensions. I say this because I want to relate one particular experience which causes me to bring this matter before the house. We have the case of a young chap who was on the Murmansk run, who prior to his enlistment, had been active athletically and who, for some four or five years or a little longer, I believe, was attempting to get a pension because of a certain disease which caused the loss of a leg and a couple of fingers. He had not been successful in obtaining any pension. As does every other hon. member, I appreciate the fact that it is not the responsibility of the pension board to produce the evidence that is to come before that board. They are a tribunal. However, I say this. I say that advocates or those in charge of producing the particular evidence in a particular case should be well versed as to what is necessary in order that the man's case gets a fair hearing.

This particular individual was not able to get a pension of any kind. It happened to be my good fortune to talk to a couple of senior members of my party, one of whom is now in the house. Through their co-operation we were able to give this matter a little more thought, with the result that we got in touch with some of the authorities in the London area. They were kind enough to come up to my house, and we discussed this man's case.

In this particular instance, Mr. Speaker, I am extremely happy to say that they had carefully prepared the evidence. In fact they had three top-class police officers from the Sarnia police department and two young lads who had been in service and who were able to corroborate the fact that this man had complained of his illness while he was in service. I happen to have had the pleasure of going down to London to hear the evidence when it was placed before the tribunal, and at the conclusion I could not help but feel that the man would be entitled to his pension.

I must pay a tribute of respect to those in that area who prepared the evidence in this case. It could not have been prepared better. The result was that the man received a 100 per cent pension. He also received a clothing allowance of $6 a month, I believe, and he gets another $720 a year as a helplessness allowance.

My point in bringing this matter to the attention of the house is simply this. This unfortunate young man who enlisted in His Majesty's service to serve his king and country waited five years for justice. He did not know what evidence was required in order to entitle him to a pension. When the proper evidence was submitted he obtained it without any hesitation. In all fairness to advocates in any place in Canada, and in fairness to the war veterans to whom we owe so much, I submit that the cases should be prepared, with all the available evidence, at the earliest opportunity, in order that the particular veteran may get what he is entitled to without being obliged to wait for four or five years.

In this particular case the man waited for five years. He had the evidence, and it could have been available. Had the evidence been presented some four or five years ago this war veteran would have had the same entitlement that he is getting today, or at least that he obtained beginning on October 1, 1955.

I do not make any apology for bringing this matter before the house, because I feel that undoubtedly there are many other cases in Canada where the same situation exists. If there is entitlement to a pension I hope that in the future those who are charged with the responsibility of presenting evidence on behalf of the veteran will see that the proper evidence is produced at the first hearing, and will not wait until four or five years have passed to produce it in order that, at that particular hearing, he may get the justice to which he was entitled a long time previously.

Now, Mr. Speaker, in closing I would like to say that our party have always felt that this 20-year requirement for old age assistance should be reduced to 10 years. I think the government should give consideration to that idea. I believe it was suggested at a recent provincial-federal welfare conference convened by the federal government that we have many new residents in this country who are making their contribution to Canada. There should be no quarrel with the idea that these people should be entitled to old age assistance without having to wait 20 years. I suggest, Mr. Speaker, that 10 years is sufficient.

I do hope that during this session the government will take whatever action is necessary without delay to see that measures are introduced which will effectively curb inflation.

(*Translation*):

Mr. Hector Dupuis (St. Mary): I want to extend my hearty congratulations to the mover (Mr. Hanna) and seconder (Mr. Robichaud) of the address in reply to the speech from the throne, not only because it is customary, but because they well deserve it. They admirably carried out a task which is less easy than it may seem, because not only does it require some knowledge of Canadian politics, but those who are chosen for this part generally get little advance information on the matters which are to be submitted to the house during the session. The mover and seconder are therefore to be commended because they have shown their ability to read the future, if I may say so, by their serious and profound description of certain aspects of the projects to be drawn to the attention of hon. members.

I also want to congratulate the government on the legislation mentioned in the speech from the throne, which will be considered during this session. I congratulate it not as a supporter but as a representative of a working class constituency, comprising also people of all classes.

It is not my intention to analyse all proposals that will be submitted to us but, on the other hand, it is my duty to underline some of them, more particularly those concerning the advancement of arts in our province and the subsidies granted to the universities of the various provinces.

The Canada Council for the encouragement of the arts, humanities and social sciences will no doubt have a difficult task to accomplish. That task will consist of setting up an organization which will give our artists the opportunity to develop their talents on the national level. It should be admitted that 25 or 40 years ago our artists would not have been able to avail themselves of the advantages that the government is offering them now, because there were not enough of them at that time. However, at the present time we have a very great number of artists, French or English speaking, musicians, stage or motion picture actors.

While we are on the subject of motion pictures, and even though I am not sure I will have an opportunity of appearing before this future committee, I feel I should take this opportunity of putting forward the following suggestion. May I point out first that with regard to motion pictures, I was told recently that in Great Britain they are not allowed to import American pictures over and above a certain quota determined by the production of British films.

I do not know that we could establish a quota in this country. Our motion picture industry is developing, and I am told that steps are being taken to give considerable expansion to this very remunerative activity. Under those circumstances, I wonder whether it would be proper to limit the importation of American films to the number we would be allowed to export across the 45th parallel. That is a suggestion which comes at the appropriate moment since, I repeat, in certain quarters, we are getting ready to develop more fully our movie industry; it would be beneficial to us to find on the American market an outlet which would give that industry an opportunity to be on its own.

In the fields of music and drama, I believe that the only way to help our artists with due respect as usual for provincial autonomy, is to grant some subsidies to recognized institutions, which could distribute them to young artists in order to help them to create for themselves a career which would provide them with sufficient income so that they can devote all their time to it.

Mr. Knowles: Ten o'clock.

Mr. Dupuis: Already ten o'clock.

Mr. Knowles: Yes.

(*Text*):

On motion of Mr. Dupuis the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Green: Where is the business for tomorrow?

Mr. Harris: Mr. Speaker just announced the adjournment until eleven o'clock tomorrow morning.

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

ANSWER TO QUESTION

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

Question

LAND RECLAMATION EXPENDITURES, NOVA SCOTIA

Question No. 3—**Mr. Balcom:**

What were the expenditures on land reclamation, and where, in Nova Scotia, either during the fiscal year 1955-56, or calendar year 1956?

Answer by: **Right Hon. J. G. Gardiner (Minister of Agriculture):**

APRIL 1, 1956 TO NOVEMBER 30, 1956

Project	Location	Amount
		$ cts.
Armstrong	Hants county	265.59
Athol	Cumberland "	736.86
Bishop Beckwith	Kings "	25,424.30
Belcher Street	Kings "	85,873.88
Central Onslow	Colchester "	1,083.05
Chignecto	Cumberland "	25,865.32
Converse	Cumberland "	1,484.33
Elderkin	Hants "	16,924.96
Falmouth Great Dyke	Hants "	3,071.82
Falmouth Village	Hants "	1,350.56
Grand Pre	Kings "	21,369.88
Goose Bay	Yarmouth "	21,519.73
Isgonish	Colchester "	7,301.77
John Lusby	Cumberland "	10,243.42
Kentville	Kings "	13,481.02
Masstown	Colchester "	66,608.03
Maccan	Cumberland "	2,109.31
Minudie	Cumberland "	9,478.83
Mantua Poplar Grove	Hants "	61,636.02
New Minas	Kings "	1,697.73
Newport Town	Hants "	8,548.86
Noel Shore	Hants "	73,312.90
Onslow-North River	Colchester "	1,651.76
Queen Anne	Annapolis "	4,021.77
Round	Colchester "	1,771.21
River Herbert	Cumberland "	4,216.46
St. Croix	Hants "	7,563.80
Starr's Point	Kings "	12,814.70
Truro Dykeland Park	Colchester "	4,551.29
Tregothic	Hants "	7,289.95
Upper Nappan	Cumberland "	1,109.22
Victoria Diamond Jubilee	Colchester "	893.68
Wellington	Kings "	24,829.90
Windemere	Annapolis "	4,134.81

APRIL 1, 1956 to NOVEMBER 30, 1956—Concluded

Project	Location	Amount
		$ cts
Advocate	Cumberland county	4,110.44
Allen River	Annapolis "	6,328.53
Amherst	Cumberland "	1,188.11
Annapolis Royal Town	Annapolis "	1,283.58
Avonport	Kings "	3.87
Barronsfield	Cumberland "	4,326.90
Burlington	Hants "	4.50
Castle Frederick	Hants "	185.15
Centre Burlington	Hants "	65.70
Comeau	Annapolis "	1,346.55
Chambers	Hants "	220.32
Dentiballis	Annapolis "	4,790.25
Dugeau	Annapolis "	296.46
Farnham Dyke	Kings "	115.00
Fort Belcher	Colchester "	1,659.01
Fort Lawrence	Cumberland "	735.55
Fox Bow	Annapolis "	34.51
Granville Centre	Annapolis "	1,531.70
Glenholme	Colchester "	171.90
Greenhill	Hants "	388.80
Habitant	Kings "	525.52
Herbert River	Hants "	239.08
Kennetcook	Hants "	380.49
Lower Truro	Colchester "	941.21
Martock	Hants "	4,664.22
Mount Anne	Annapolis "	878.94
Moschelle	Annapolis "	1,875.94
McKay	Cumberland "	367.11
Mill	Annapolis "	127.50
Messenger	Annapolis "	1,141.16
Pre Rond	Annapolis "	401.85
Princeport	Colchester "	1,032.67
Pereaux	Kings "	2,450.25
Rosette	Annapolis "	482.40
Ryerson	Annapolis "	3,533.07
Ricketson	Annapolis "	40.95
Selmah	Hants "	21.25
Scotch Village	Hants "	8.00
Seaman	Cumberland "	4,725.33
Shipley	Cumberland "	303.10
Tupperville	Annapolis "	217.40
Upper Belleisle	Annapolis "	220.38
Walker	Annapolis "	471.60
Wentworth	Hants "	439.25
Windsor Forks	Hants "	505.55
Woodworth	Annapolis "	420.38
		589,348.15

N.B.—Administration, survey and engineering costs not included.

HOUSE OF COMMONS

Tuesday, January 22, 1957

The house met at eleven o'clock.

IMMIGRATION

C. G. HANNA—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I beg leave, pursuant to standing order 26, to move the adjournment of the house for the purpose of discussing a definite matter of urgent public importance, namely the gross abuse of natural justice constituted by the methods followed at the hearing of the appeal of Christian George Hanna by an immigration appeal board in Vancouver, British Columbia, and the urgent necessity of suspending action in connection with the deportation of Mr. Hanna until his case has been fully considered and disposed of in accordance with proper and just procedures.

If I may, as to the urgency—

Right Hon. L. S. St. Laurent (Prime Minister): I think the other day the hon. gentleman objected to anything being said after such a motion had been submitted to the Speaker for his opinion.

Mr. Fulton: And I recall that on that occasion the Speaker said the matter of urgency might properly be the subject of reference, and there was in fact a reference to that question by the right hon. gentleman.

Mr. Speaker: I will first read the motion and see if I need any assistance. If I do, no doubt I will call upon the hon. gentleman. It strikes me on reading over the subject matter of the motion which the hon. member for Kamloops has submitted that, as a ground for the urgency of debate in this matter, he talks about the suspension of an action which is about to be taken with respect to the gentleman mentioned in the motion. Perhaps the Minister of Citizenship and Immigration (Mr. Pickersgill) could state whether or not there is an action contemplated having to do with the deportation of Mr. Hanna.

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, all I can state is what I hear on the radio and read in the press: that a gentleman who purports to be the solicitor for this person has applied to the supreme court of British Columbia, from which it would seem to me that the case is before the courts and, therefore, hardly an appropriate subject for debate in this house.

Mr. Fulton: Perhaps I could say what I was told by the solicitor?

Mr. Speaker: Order.

Mr. Fulton: That following the process, which was called a hearing, before the immigration appeal board yesterday morning, the man was ordered to leave and was, according to my information at the time of the telephone call, in the process of being transported back to Port Alberni where the boat is lying in harbour and from which it is due to sail, I believe, tonight. Knowing the practice of the department in the past of disregarding notices of applications for writs of certiorari and their practice of trying to get people out of the country notwithstanding those notices having been served, unless the minister is able to state positively that this man will not be deported until after the case is heard, I submit there are grounds established by the wording of the motion for urgency of discussion and decision.

Mr. Speaker: The hon. gentleman talks about urgency of discussion and decision. The only decision we can arrive at is that we adjourn the house, and the debate is over. That is the only decision we can arrive at today. The overriding practice, of course, is that while the debate on the address is currently proceeding, motions under standing order 26 are not accepted, and that has been the case, as the hon. gentleman knows, for many years.

There is no doubt that the matter referred to in this motion is one which many members regard with a great deal of sympathy, but as for putting aside the debate on the address today in order to discuss this matter—one which the Minister of Citizenship and Immigration has alleged may be before the courts —I hesitate to do so.

One must not forget that there has been moved a subamendment to the amendment on the main motion, and that today and tomorrow, if we go on with the debate on the address, members who have spoken on the main motion or on the amendment may speak again on the subamendment which was moved a few days ago.

Mr. Fulton: On that particular question, Mr. Speaker, may I say that the purpose of a motion such as this is to enable the house to deal in a substantive manner with the subject matter complained of or brought to its attention. The only way that effective action can be taken in this instance is if we obtain from the minister, as a result of that process and discussion, an assurance that this man will not be sent out of Canada pending full and proper disposition of his case.

There is no way in the course of the speech from the throne debate in which that issue can be brought to a head. It can, I submit, only be brought to a head if you allow me to present this motion so that discussion can be directed towards that specific subject matter and the house can express its opinion and get a positive reaction and assurance from the minister on that basis. There is no way in the throne speech debate to bring about such a result. That is why it is urgent that that debate be adjourned.

Mr. Macdonnell: Without purporting to give an opinion on the rules, are we not in danger of forgetting that this is the high court of parliament and are there not occasions when we may take such action as will try to ensure that natural justice will be done and that a department of this government, which after all is subject to this house, shall not be allowed to disregard the procedures of the law of the land?

Mr. Diefenbaker: Mr. Speaker, there seems to be no other means whereby a measure of justice can be secured for this man than through a motion such as has been moved by the hon. member for Kamloops. The situation is simply this. If discussion takes place on the speech from the throne debate there is no means whereby the minister may be required to answer in any way and whereby parliament can act in order to prevent anything in the nature of a tyrannical use of absolute power.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: I suggest that whatever the merits of the Hanna case may be there is no other recourse. Unless this motion is allowed, then, whatever the courts may subsequently decide, this man may be spirited away and may be out of the jurisdiction and an injustice will have been done. Indeed, to a great degree this is similar to the Archer Shee case. Parliament must necessarily act in order to assure justice.

Mr. St. Laurent (Quebec East): In view of the interventions of so many gentlemen on the other side, I think possibly the hon. member for Kamloops will feel that the suggestion he made the other day is not of universal application. There seems to be one question about which it would be quite important to know what the facts are. It is suggested that the solicitor who has been giving information to the hon. member for Kamloops so that it might be used on the floor of the house has made an application to the supreme court of British Columbia for some kind of writ. I do not know whether or not that is a fact. I did not hear the radio reports this morning because I was still on a railway car. But if that is the case then though this may be the highest court of the land there is a positive rule that this highest court of the land has adopted and that is that matters sub judice before the ordinary courts of the land will not be debated here while they are before those courts.

When this is likened to other cases, it seems to me that the suggestion being made is that the department of immigration might be about to do something which was done by the Department of Justice presided over by Hon. Mr. Doherty in 1911 when Harry K. Thaw happened to be within the confines of this country and Mr. Doherty gave instructions, in spite of the proceedings that were before the court, to have him picked up like a chip and just tossed over the border. Nothing of that kind is contemplated here at this time.

Mr. Diefenbaker: There is not very much similarity between the Harry Thaw case and the present one.

Mr. St. Laurent (Quebec East): It has never appealed to this government to follow the effective but extraordinary procedures that were adopted in 1911. Proceedings have been taking place in the manner prescribed by the statute and there is the suggestion—and perhaps the hon. member for Kamloops would be in a position to say whether or not this is so—that the solicitor who has been briefing him about this extraordinary case was applying to the courts of justice in the province of British Columbia where I assume that, if there are rights, they can be asserted and will get consideration from the judicial authority in the hon. gentleman's own province.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, may I point out that I think we are losing sight of what this resolution really asks. I refer to "the urgent necessity of suspending action in connection with the deportation of Mr. Hanna until his case has been fully considered and disposed of in accordance with proper and just procedures". We have before us no information as to what is happening in the supreme court of British

Columbia. However, we have before us information that this man is likely to be deported.

With regard to the matter of urgency may I say this, Mr. Speaker. The other day, when objection was taken to a motion that I made in this house, you were good enough to say that you would look into the matter because there was some doubt in your mind as to whether the debate on the address which is now proceeding ruled out the possibility of a debate on a matter of great urgency. I submit that this is a matter of urgency. I can understand the legal position of the department but I also understand that the final authority with regard to these cases rests with the minister. Here we are, as has already been said by the hon. member for Greenwood (Mr. Macdonnell), sitting here as it were as the high court of parliament, the last court of appeal. We do not know what is happening in British Columbia. We do not know whether the supreme court has allowed the case to be made before it. We know nothing of these things except the word given us by the hon. member for Kamloops. I think the hon. member for Kamloops has a right to receive information on matters of any kind brought to him by anybody who approaches him with authentic information. I feel keenly and strongly that the minister and the government will make a serious mistake and will be looked upon as interfering with something touching human rights and fundamental freedoms if this debate is denied. Many members of the house have exhausted their right to speak in the debate on the speech from the throne and they may be vitally interested in speaking. I refer to such members as my friend the hon. member for Red Deer (Mr. Shaw). I suggest, Mr. Speaker, that this request is in order and that it should be allowed.

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, may I just add one word on the subject that the leader of the C.C.F. has mentioned, namely the attempt the other day to do what is being attempted today. I did not mention the matter at the time because of the answer which you gave to him. However, I want to stress what has always been the understanding of the house since I came here and, from what I can read, has been the understanding on all other occasions. On those occasions when we are in general debates, as on the address and the budget at least, if not others, and perhaps even motions to go into supply, if these particular items for discussion are before the house there is then an opportunity to debate any matter that any hon. member wishes to bring before the house. I admit that the question of relevancy sometimes enters into the matter with respect to a particular amendment. Nevertheless, I think it has been the ruling of every successive Speaker in this house that on those general occasions anything can be said by an hon. member and any particular matter can be debated. In other words, any person speaking this morning or this afternoon could advert to this subject and say what he wished with respect to what the government is doing. Since that is the case, I think the rule has always been interpreted in the matter of urgency with respect to a particular matter as a matter of urgency of debate. I am quite sure any member can take part this afternoon and speak on this subject. I feel that any other ruling by Your Honour, if I may say so with respect, would be almost a complete reversal of our previous understanding.

Hon. W. Earl Rowe (Dufferin-Simcoe): Before your decision is rendered, I should like to make a few observations on the argument advanced by the Minister of Finance. I thought the argument advanced by the Prime Minister was flimsy, but the flimsiest argument of all has been that put up by the Minister of Finance. Never has a debate on the speech from the throne or a budget debate been interrupted more often by the government itself than in the last few years. As the hon. member for Rosetown-Biggar (Mr. Coldwell) has said, a score of members on this side of the house had expressed their opinions on the speech from the throne before this matter arose. It is either a matter of urgency or it is not.

An hon. Member: National emergency?

Mr. Rowe: It may not be to you, but it is to a lot of people throughout this country. The national honour of this country is at stake.

Some hon. Members: Oh, oh.

Mr. Rowe: Hon. members may laugh. You have a great country, but you like to keep it to yourself and just let in the persons you like. The Minister of Citizenship and Immigration should make a decision on this subject. The hon. member for Kamloops is quite within his rights in raising the matter. As the hon. member for Rosetown-Biggar has said, there are members who had exhausted their time on the speech from the throne before this emergency arose. The Prime Minister has chided the hon. member for Kamloops for obtaining information from the solicitor. If we in the official opposition did not obtain information from the press or from friends we would never get it because the government does not

give us information. Never since confederation has there been a government that has hidden the facts more than this government has. All the way down the line there has been excuse after excuse. What have you to hide?

Why does the Minister of Citizenship and Immigration sit so smug and look so pale when he fears this matter is coming before parliament? Tell us why. It is either a matter of urgency or it is not. If you and I, Mr. Speaker, were in Mr. Hanna's place—God forbid we should be—we have both been embarrassed before but not to that extent—

Mr. Garson: Is this a discussion on a point of order, Mr. Speaker, or is it a stump speech?

Mr. Rowe: I would not like to take your judgment on that because I have heard your stump speeches and I never thought much of them.

Mr. Speaker: Order. I think the hon. member for Dufferin-Simcoe has provided me with ample assistance. I want to say that if the hon. gentleman and I were in Mr. Hanna's place, I am sure he would find a way of talking both of us out of it.

Mr. Rowe: I am not sure with this government in power.

Mr. Speaker: I have heard the serious remarks made by various hon. members. One of these days I will suggest that standing order No. 26 be amended so that it will leave the entire responsibility for the decision as to urgency in the hands of the house and not put it upon one individual, namely the Speaker. Some hon. members have stressed the fact that the purpose of standing order No. 26 is to have decisions taken. My own interpretation of standing order No. 26 is that it is the one which replaced the old motion for adjournment which was moved in the middle of a debate whenever some member wanted to discuss a matter which had nothing to do with the motion proposed at the beginning of a sitting. Those who have read the old debates will recall that as a debate was proceeding on a certain specific motion and a member would go beyond the field of relevancy of that motion, someone would say you need a motion for adjournment. He would stand up and move it, and the hon. gentleman who had the floor could carry on speaking about a subject which had nothing to do with the motion which had been the subject of discussion at the beginning of that debate. Therefore, because of the abuses brought about by this system, they brought in standing order 26, which used to be standing order 31.

This house now has a vehicle to discuss matters of actuality, some things that arise which hon. members feel should be debated. The net result of it is after the debate has taken place and is concluded the house has to adjourn. It is not a substantive motion although it has been amended once; but the amendment was not voted on. At the end of the sitting the adjournment takes place.

Here is my difficulty. Hon. members will agree that whenever there was a motion to go into supply in the offing or a motion to go into ways and means—they were debatable in sessions prior to last session—whenever the debate on the budget was currently going on, whenever the address in reply was currently going on, I do not think any hon. members can state one specific case where a motion under standing order 26 has ever been allowed by my predecessors or by myself. If there is one I would like to have it cited to me.

The other day when the hon. member for Rosetown-Biggar moved this type of motion it was a matter of great importance. I then told him that since we were entering the debate, if the Minister of Finance or any other minister had, under standing order 38(2), stood up on the first day or the second day and said, "Well, tomorrow we shall take up some other business", thereby postponing the continuance of the debate on the address to three, four, five or six days later than the next day—this is what I said on January 9, 1957, as recorded at page 23 of *Hansard*:

> I do not say that he should not be permitted to make his motion again.

I would have allowed the hon. gentleman's motion the following day if the minister on the eve of that day had announced by virtue of standing order 38(2) that he would postpone the debate on the address. Since that did not occur, and we were carrying on the debate on the address, full opportunity was given for a debate on the matter of urgency which was contained in the motion of the hon. member for Rosetown-Biggar.

We have two more days for the debate on the address. Some hon. members claim they have exhausted their right to speak. Well, I have the list here before me of those who have spoken on the amendment, the subamendment and the main motion and there is no doubt that there is still a great deal of freedom for the purpose of discussing this matter.

Something has been said about obtaining information. Information may be obtained at question time. As a matter of fact I

think the hon. member for Esquimalt-Saanich (Mr. Pearkes) asked some questions of the minister yesterday and the day before. The Leader of the Opposition has done so as well.

Now, if I do depart today from the previous practice of not allowing a motion under standing order 26 when the debate on the address is currently going on or a similar debate which affords great latitude I will not have justification for having refused the motion made the other day by the hon. member for Rosetown-Biggar. What would prevent us from having a motion tomorrow on a subject which may be different? I have to oppose my own personal opinion as to the urgency of debate in this case but standing order 26 is so construed as to leave that responsibility upon myself. Because of the past practice, as I say, of previous Speakers and because of my own previous rulings I regret that I cannot accept the motion.

Mr. Macdonnell: Mr. Speaker, on a question of privilege, may I point out that you have dealt with one matter of urgency, but is there not another matter of urgency before this house? This house has knowledge that a minister is proposing to take action which would defeat the course of justice. Do we have to sit here—

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

Mr. Speaker: Order. There has been a question of privilege raised by the hon. member for Greenwood and the minister wishes to rise on a question of privilege himself. I think that we ought to rally ourselves around the decision which I have just made. It may not be a decision which is satisfactory, but nevertheless it is one which I feel I have to make. It may be much more painful to myself perhaps than to any other members in this house. However, I feel that I should not depart from the previous practice which has been established over a period of many years. One of these days I may depart from it, but when I do I wish to be sure that I have had full opportunity to study the implications of a change in the practice.

Mr. Stuart (Charlotte): Mr. Speaker, if this comes to a vote—

Mr. Speaker: There is no vote. I have made my ruling and there is no appeal.

[*Later:*]

C. G. HANNA—REQUEST FOR ASSURANCE THAT DEPORTATION WILL BE POSTPONED

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): Mr. Speaker, will the Prime Minister give the house assurance that Christian G. Hanna will not be deported from Canada until after the date of the application for the hearing of the writ which I understand is on February 1.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I cannot give any other assurance than the assurance that there will be no departure from the law established by parliament and that every opportunity for the consideration of what should be the proper application of that law will be given.

Mr. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, that undertaking does not go anywhere at all. I wish to ask the Prime Minister—

Some hon. Members: Question.

Mr. Diefenbaker: There is an application before the court, according to—

Some hon. Members: Order.

Mr. Diefenbaker: —the information I have. Will the Prime Minister give the undertaking that, until the courts decide, arbitrary practices will be discontinued in this case and this man will not be spirited out of the country so that he will be gone in any event and the Department of Citizenship and Immigration will be victorious.

Mr. St. Laurent (Quebec East): There will be no arbitrary action. The hon. gentleman overlooks, or perhaps does not overlook, the fact that this man could not be deported otherwise than by being placed back on the ship from which he disembarked. I do not know what procedures we could take to hold that ship pending a decision by the courts as to whether or not the man could remain in Canada. I do not know what the facts are.

The hon. member for Kamloops has suggested that the ship is going to depart from Canada this evening. It may very well be that advantage is attempted to be taken of the fact that if the ship gets away without this man, whether the courts decide he can stay in Canada or not, there would be no physical possibility of having him leave Canada because I understand the ship has already visited many ports and at each one there has been a refusal to allow him to land because of the fact that he is not one who could be admitted according to the entry laws of the countries of those various ports.

There is no desire to spirit him away. There is no greater obligation on Canada to take this man who apparently asserts that he was born at sea. I do not know on what ship or under which flag he says he was born. That seems to be the difficulty. I personally have not gone into the facts of this case, but I have been told that there

are no special grounds for the recommendation that he should be admitted into Canada except the ground that nobody else wants to take him in anywhere else. It may be that we have more vacant space in this country than in most other countries; it may be that could be urged as a reason why we should do what nobody else wants to do; but these are matters which I do not think should become a contest between political parties.

There can be varying views as to whether we should in this country take on that which nobody else wishes to have elsewhere. That may be the opinion of some but it would not be the opinion of all, I am quite sure, because this parliament has enacted immigration legislation. If the legislation were to be wide open and everybody who could put his foot on Canadian soil would be entitled to stay here because that had happened, then there would be no need for that legislation. I am sure that the Department of Citizenship and Immigration is giving and has given consideration to all the alleged facts.

However, I have not personally gone into those facts and there certainly will be no attempt to spirit him away in order to avoid the consequences of any court decision. On the other hand, there should not be the sanction by opinion of hon. members of this house to the effect that he will have to stay here because the only place where he could have been put back would be no longer in Canadian waters. That is a consideration which must have some bearing on the proceedings and I would like to know, if the hon. member for Kamloops does know, whether or not there has been an application to the supreme court of British Columbia as was announced over the radio this morning.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I would like to ask the Prime Minister, since I must do this by way of a question, if he is aware that the objection taken is not to the refusal to admit this man but that the refusal was based on an improper hearing which was not a hearing at all? No one is alleging, now, that the man is entitled to remain permanently; what is being alleged is that he is entitled to a proper hearing to determine whether or not he is admissible, and it is to determine that issue that an application for a writ of certiorari has been made. The application is returnable on the 1st of February, and the assurance asked for is that the man would remain in Canada until then so that the finding of the court on the 1st of February would have some effect with respect to his right of a hearing as to his admissibility.

I would therefore like to ask the Prime Minister a further question. Can he say whether, if, as I understand, assurances have been given that even though the ship may have left Canadian waters in the meantime, should Mr. Hanna be here and found to be non-admissible by judicial process, he will be returned at no cost to the ship, the right hon. gentleman would give an assurance in turn that this man will not be sent out of Canada before the courts can deal with his application?

Mr. St. Laurent (Quebec East): Perhaps the hon. gentleman has different views, but I do not see how any arrangement could be made to return that man to the ship if the ship were not in Canadian waters.

Mr. Fulton: He could be sent on another ship.

Mr. St. Laurent (Quebec East): We might perhaps charter a ship to go and meet the other ship in some port, but I do not think that is a proper procedure to suggest.

Mr. Fulton: The Prime Minister has misunderstood my question; I would hesitate to suggest he has done so deliberately. Can he say whether if an assurance has been given, as I understand it has been given to the immigration officials of Vancouver, that if Hanna should be found to be non-admissible then those interested in his application will see that he is returned to the ship at their expense, wherever it may be—they do not need to charter a ship to do that either—whether, if that undertaking has been given, it is not fair and reasonable to ask that the other undertaking I have mentioned should also be given?

Mr. St. Laurent (Quebec East): If that kind of undertaking were given by persons who are interested in this case and who are in a position to implement that undertaking, it would be a matter which should receive serious consideration, but the first appearance would be that efforts are being made to keep this man in Canada by one means or another until there would be no possibility of his not remaining in Canada no matter what the findings of the court might be.

Mr. H. W. Herridge (Kootenay West): May I address a question to the Minister of Citizenship and Immigration? Does the minister consider that we in Canada have less of an obligation to admit this man than we had, some years ago, to admit a United States citizen with a criminal record who entered the country illegally, committed a crime after he had entered and was nevertheless allowed to remain here as a landed immigrant by virtue of an order in council?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): I do not suppose, Mr. Speaker, that that rhetorical question was meant to be answered at all, but on the assumption that possibly it was, I would say, as I said the other day, that I can find no ground under the law which would permit the minister or any of his officials to admit this man to Canada at all. That is under the law made by this parliament.

Mr. Fulton: Why wouldn't you give him a proper hearing?

Mr. Pickersgill: If the hon. gentleman would just possess himself in peace till I have finished I would be delighted to answer his question. As I said, no one has been able to find any ground on which this man could satisfy the requirements of the immigration law, but I am told by my department since this debate began in the house that we have information that a summons has been served on the chief immigration officer in British Columbia. That means that this case is definitely before the courts, and therefore I do not think it would be proper for me to say anything further about it.

Mr. Fulton: Will the minister give the house an assurance that this summons having been served and the matter being sub judice his department will regard itself as legally bound to take no steps in this matter until the question is disposed of, and undertake not to return Hanna to the ship?

Mr. Pickersgill: I will not give the house any legal opinion whatsoever.

Mr. Fulton: Will the minister assure the house that he will abide by the law? No one has asked for a legal opinion.

Mr. Pickersgill: Certainly, I will give an unqualified assurance that I will abide by the law.

Mr. Fulton: Will the minister give an assurance that he will make no attempt to evade the consequences or the application of the law by having this man sent out of Canada before the law can be applied?

Mr. Pickersgill: The minister's record is not a record of evasion at any time, and every hon. member of this house knows it.

Mr. Howe (Wellington-Huron): That is an evasion in itself.

Mr. Pearkes: May I ask the Minister of Citizenship and Immigration if he would inform the house of the composition of the appeal board which heard this case?

Mr. Pickersgill: I cannot do so offhand, but I will be glad to answer that question tomorrow.

Mr. Solon E. Low (Peace River): I should like to ask a question of the Minister of Citizenship and Immigration and a question of the Acting Secretary of State for External Affairs. The two questions are related. My first question is directed to the Minister of Citizenship and Immigration. If the ship sails tonight and takes Mr. Hanna, will the reference to the supreme court of British Columbia be proceeded with and a decision handed down?

Mr. Pickersgill: I do not think that is a question that it would be in any way proper for me to answer, having regard to the fact that the case has already been taken before the courts. It is a hypothetical question in any case.

Mr. Low: My second question is directed to the Acting Secretary of State for External Affairs. The Hanna case is apparently a case of a stateless person. Is there not some way of referring the case to some agency of the United Nations to deal with a matter of this kind so that this person will not have to be confined to a ship for the rest of his life? Is there anything we can do to have the reference made?

Hon. Paul Martin (Acting Secretary of State for External Affairs): Mr. Speaker, I assure my friend that I will be glad to give careful consideration to the implications of his question.

Mr. M. J. Coldwell (Rosetown-Biggar): May I ask one question? Does not the United Nations rule apply only to people in refugee camps? If this man cannot get into a refugee camp to be treated as a stateless person, where is he to go?

Mr. Martin: Statelessness is a problem that has been before the legal committee of the United Nations from time to time, but I would not want to give a ready answer to something to which I have not had a chance to give full consideration.

Mr. Low: What I wanted to find out was whether or not, since Canada is now involved up to the ears in this whole matter, somebody in the government might not be prepared to refer it to some agency of the United Nations in order to get the problem solved. It is a humanitarian question and all of us ought to be concerned about it.

Mr. Martin: I am sure the government is as concerned about it as anyone. My hon. friend will remember that Professor Humphrey, head of the human rights division of the United Nations, has already given some indication of interest in this matter, on behalf of the secretariat of the United Nations. However, I have not had a chance to really

grasp the full implications of my hon. friend's question and I would not want to say any more now. I assure him the matter will be looked into, consistent with all the facts and our own obligations.

ATOMIC ENERGY

INTERNATIONAL AGENCY—INQUIRY RESPECTING RATIFICATION OF STATUTE

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, can the minister of external affairs say whether enough nations have as yet ratified the statute of the international atomic energy agency to make it operative? Second, is the government considering bringing forward a motion for ratification on the part of Canada before this session of parliament has come to a conclusion? I ask this question because of press reports of a discussion of a somewhat similar nature at the United Nations.

Hon. Paul Martin (Acting Secretary of State for External Affairs): Mr. Speaker, my hon. friend was kind enough to give me notice of his intention to ask this question. In respect of the first part, my reply on behalf of the Secretary of State for External Affairs (Mr. Pearson) is that the international atomic energy agency will become operative when 18 of the signatory nations have deposited instruments of ratification. Among these 18 signatories must figure at least three of the following countries: France, United Kingdom, United States, the Soviet union, Canada. The United States, which is the depository government, has not advised us of the deposit of any instruments of ratification as yet. The government has no information that any of the signatories have as yet ratified the statute.

With respect to the second part of the question, as I indicated to my hon. friend before today's sitting, I am not in a position to give an answer. I have not yet had an opportunity on behalf of my colleague to discuss this matter with my colleagues. I shall ask that that part of the question be allowed to stand until I am in a position to give a definite reply.

SHIPPING

PILOT BOAT ACCIDENT, SAINT JOHN—STATEMENT ON REQUEST FOR PUBLIC INQUIRY

On the orders of the day:

Hon. George C. Marler (Minister of Transport): On Friday the hon. member for Charlotte (Mr. Stuart) and yesterday the hon. leader of the official opposition (Mr. Diefenbaker) asked whether it was my intention to order a public inquiry in connection with the loss of the pilot boat in Saint John harbour.

I should like to inform the house that I have now received the report of the preliminary investigation made by Captain Graves of my department, and that I am taking the steps necessary in order to hold a formal investigation pursuant to the Canada Shipping Act.

Mr. Thomas M. Bell (Saint John-Albert): May I direct a question to the Minister of Transport arising out of the statement he has just made with respect to the public inquiry at Saint John and also with reference to my question on January 16 regarding that matter and also the department's responsibilities? Is the minister now prepared to say what immediate steps will be taken to replace the lost pilot vessel and what immediate precautions may be necessary to prevent in future any such sad accident?

Mr. Marler: In my understanding of the facts of the matter and of the shipping orders, there is no need for further precautions to be taken with regard to the operation of a pilot boat. With respect to the replacement of the pilot boat, I should like to tell the hon. gentleman that we are making arrangements to secure another and hope to have it available very shortly.

Mr. W. M. Hamilton (Notre Dame de Grace): Will the Minister of Transport inform the house why members of the families of those lost on the vessel in the pilot service at Saint John were denied counsel at the preliminary closed hearing while the steamship company was represented by counsel, lawyer J. Paul Barry?

Mr. Marler: The purpose of the inquiry which was held in Saint John was purely and simply to determine what were the facts of the accident in order that it would be possible to decide whether or not a public inquiry should be held. I believe that counsel representing the pilots was present and I believe one other counsel was present, although I do not know whom he represented. But it was not a public inquiry. It was not an inquiry for the purpose of determining responsibility or guilt, and in point of fact there was no reason why anybody should have been represented at that inquiry.

TRANSPORT

STATEMENT ON ABANDONMENT OF NEW YORK CENTRAL RAILWAY LINE, CORNWALL-OTTAWA

On the orders of the day:

Hon. George C. Marler (Minister of Transport): Yesterday the hon. member for Stormont (Mr. Lavigne) asked if consideration had been given to the question of transportation services to the municipalities affected by the abandonment of the New York Central line between Ottawa and Cornwall.

I find that by its order No. 90648, dated January 10, 1957, the board of transport commissioners on the application of the New York Central Railroad Company approved the abandonment of the line between Ottawa and Cornwall, provided that the abandonment would not take place earlier than February 15, 1957. This application was considered by the board at a public hearing held in Ottawa on December 12, 1956, at which interested parties were present or represented. In its judgment the board quotes textually the statement made at the public hearing by counsel for the railway company, which reads as follows:

> No provincial highway runs directly through the territory of the line, but the district and communities in question are well served by adequate all-weather roads which connect with provincial highway No. 31 which runs from Ottawa to Morrisburg and there meets provincial highway No. 2 to Cornwall. Daily truck service is provided between Cornwall and the villages of Crysler, Newington, Finch and Ottawa. Berwick is served by Taggart Trucking of Ottawa, Ontario, and Glengarry Transport of Alexandria. Crysler, Russell and Embrun are served by Taggart Trucking and Glengarry Transport. Crysler, Berwick, Newington, Finch and Cornwall are also served by Eamer Daye Transport Ltd. of Cornwall.

The judgment also notes that the freight handled on the line was negligible and, as the hon. member knows, there has been no passenger service on the line since the spring of 1954.

PENSIONS

STATEMENT ON CANADIAN NATIONAL RAILWAYS MINIMUM PENSION

On the orders of the day:

Hon. George C. Marler (Minister of Transport): Mr. Speaker, last week the hon. member for Winnipeg North Centre (Mr. Knowles) asked if since the end of the regular session of last year I had received representations on behalf of the retired employees of the Canadian National Railways in receipt of pensions of $25 per month for an increase in the amount of the pension. The answer to that question is that I have received no such representations. The hon. member also asked if further consideration has been given to this matter or if it will be given by the minister or the government. Representations were made recently to the management of the Canadian National Railways that any smaller pension now payable by it should be increased to $60 per month, but no action has been taken and the matter has not been considered by the Minister of Transport or the government itself.

HEALTH INSURANCE

REPORTED MODIFICATION OF FEDERAL PROPOSALS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. Are press reports correct that the government of Manitoba has offered to come into the federal government's health or hospital insurance plan provided coverage is extended to include cases of mental illness and tuberculosis?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, I have not seen the press reports to which my hon. friend directs my attention. I would want to see them first.

Mr. Knowles: May I ask the minister a supplementary question? Can he say whether the government is considering extending the coverage provided in its plan so as to encourage more provinces to agree to it?

Mr. Martin: The government has not considered any modification in that particular or in any other particular. The proposal made by the federal government was a generous and comprehensive proposal, as was formerly acknowledged by the hon. gentleman. The government does not intend to include patients in tuberculosis and mental hospitals within the compass of its proposals for the simple reason that these are responsibilities now assumed by the provinces. In that particular we are following precisely the practice followed under the hospital insurance acts of Saskatchewan and British Columbia. With regard to tubercular and mental patients who receive treatment for their illness in general hospitals, they are included within the terms of the federal proposal.

Mr. Knowles: May I ask a further supplementary question? Is the government afraid that by amending its proposals six provinces might agree and the federal government would then have to deliver the goods with respect to health insurance?

Mr. Martin: No, Mr. Speaker, the government is not afraid. My hon. friend's persistence in asking these questions reminds me,

as I told him on another occasion, of a cheer leader who considers that every time a touchdown is scored he is the one who has scored the touchdown.

Mr. Knowles: You are in a position to score.

Mr. Roland Michener (St. Paul's): May I ask a supplementary question? With respect to the offer made by the government to which the minister has referred, does the government propose to bring that offer to parliament to get the authority to make it and, if so, when?

Mr. Martin: My hon. friend possibly has forgotten the terms of the proposal itself. The proposal contained a number of offers and with respect to those offers the federal government said that when six provinces representing a majority of the people of Canada had expressed their concurrence the federal government would take the necessary legislative steps to carry out its end of the matter. The federal government is not in any way retreating from these proposals. It stands by these proposals. When six provinces representing a majority of the people express their readiness to proceed, the federal government will act in accordance with the proposal it made last January as announced by the Prime Minister in the house and by myself when we were meeting with the provinces in another room in this building.

Mr. Michener: Perhaps I understand the offer better than the minister understood my question. I asked the minister whether or not the government proposed to ask parliament for authority to make any such offers to the provinces?

Mr. Martin: I cannot say any more than what I have said. I think if my hon. friend reads what I have said he will find that the question has been amply answered.

Mr. Fleming: The question is not answered. Another evasion.

Mr. A. M. Nicholson (Mackenzie): I should like to ask a supplementary question. Would the minister indicate what provinces have accepted the proposal and whether any of the provinces with Liberal governments have accepted the proposal?

Mr. Martin: The provinces of British Columbia and Alberta, in that order, and the province of Saskatchewan have accepted the proposal. I may say that the proposal is being actively considered by all provinces. I had a visit this morning from the premier of one province who discussed certain aspects of the problem.

[Mr. Martin.]

Mr. H. R. Argue (Assiniboia): I should like to ask a further supplementary question, Mr. Speaker. Has the government given any consideration to amending its own proposal so that the people of those provinces whose governments are prepared to go along with and accept the health program may be able to obtain the benefits of it?

Mr. Martin: I have already answered that question, Mr. Speaker, and I repeat my answer. The government has no intention of modifying the proposal that is made because, on analysis, that proposal will be found to be a most generous one. To my hon. friend who has asked this question I may say this. In view of the repetitious character of the question I have a suspicion that he would be most unhappy if we made any progress in this matter.

Mr. Coldwell: Oh, no. You know better than that. You know that we have plugged for this measure for 20 years.

Mr. Argue: Mr. Speaker, I should like to ask the minister why he continues to give the province of Ontario and others the veto over the policies of his own department.

Mr. Martin: I do not believe that is a fair observation, Mr. Speaker. I think all the provinces which are examining this proposal are doing so conscientiously and responsibly without exception, and that includes the province of Ontario.

Mr. E. D. Fulton (Kamloops): May I ask the minister whether negotiations are now under way between this government and one or more of the provinces, not with regard to modifications as to the general area of coverage but as to the proportion of the population which it will be necessary to include under the scheme before it will be acceptable to the province?

Mr. Martin: I can only say, Mr. Speaker, that discussions have been under way between the federal government and some provinces and are under way now between the federal government and some provinces on matters which these provinces at this stage would prefer to be regarded as the subject of negotiation between the two governments.

Mr. Fulton: In other words, the minister is not able to say any more.

AIRPORTS

LONDON, ONT.—INQUIRY AS TO INSTALLATION OF SURVEILLANCE RADAR

On the orders of the day:

Mr. H. O. White (Middlesex East): Mr. Speaker, I rather felt that we used considerable time in asking questions yesterday

and today, but I want to ask one question of the Minister of Transport. Is the airport at London, Ontario, to be equipped with airport and airways surveillance radar as are the other main airports in Canada? If so, when will this radar be in operation?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I am afraid I cannot answer that question without inquiring and verifying the 15 stations at which the installation is to be made.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Monday, January 21, consideration of the motion of Mr. R. F. L. Hanna for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Diefenbaker, and the amendment to the amendment of Mr. Shaw.

(*Translation*):

Mr. Hector Dupuis (St. Mary): Mr. Speaker, the house came very near missing the pleasure—or misfortune—of hearing me deal with a matter which, in the circumstances, should not be discussed at all in this house. I do not know the gentleman in question, nor am I acquainted with the facts which prevent him from entering Canada. One thing I do know, however, is that, as was stated on the other side of the house, the honour of our country is at stake. The fact is, Mr. Speaker, that the honour of six or seven countries is at stake, considering that those countries, for reasons unknown to me, refused to admit this man. I have always understood, even though I am not overly conversant with the rules of the house, that no question which is still sub judice can be discussed in the house. Though you do not need my official approval, Mr. Speaker, I might say that I fully share the opinion you expressed a moment ago and which, in the present circumstances, is certainly the most appropriate.

I would now like to continue the few remarks which I had intended to make with regard to the address in reply to the speech from the throne.

I was dealing with the government's decision to establish a Canada Council for the encouragement of the arts, humanities and social sciences. I will dwell at length on this topic. It goes without saying that I do not intend to launch here into a detailed study of the matter, especially since my time is limited. Besides, I do not claim to have sufficient knowledge of all matters relating to the arts to justify my dealing with them at great length. However, I am sure that our artists will derive much benefit from the study which is to be made of the situation of the arts in this country. It should make for considerable progress in this field, it should allow our great Canadian artists to attain a very high standing in the fields of music, drama, motion pictures and others.

Mr. Speaker, at the beginning of my remarks I said that, like most Canadians, I am sure, I am appreciative of the legislation the government intends to submit to the house at this session, more particularly with regard to the increase in university grants.

Again because I have but little time at my disposal, I do not intend to take part in the controversy touched off by this liberality, this generosity on the part of the present government. On the other hand, it does appear evident, to me at least, that as regards provincial autonomy, the good faith of the government cannot be questioned. I am not aware that the universities which were able to accept those grants in the past have ever been obliged to change one solitary item in their curricula, to replace any professor or to make the smallest change in their educational system.

I take this opportunity of repeating here that I would support no political party whatever which would attempt to infringe on the autonomy of any province; I will go further and say that I would fight it with all my strength. The provinces enjoy certain rights which have been guaranteed by confederation. We want every one of them to be perfectly free to exercise those rights. I repeat that no government, no political party, will ever have my support, or that of most members of this house, if it were to infringe upon provincial autonomy.

This year the government proposes to increase grants to provincial governments, to help technical and vocational training in schools under their immediate jurisdiction. No one, I believe, sounded the alarm in the name of autonomy because of the acceptance of this money which contributed to the equipment and in many other ways to the teaching given in those institutions. So far no one has refused, neither in wartime nor since the end of the war, the grants paid to technical schools for the training of tradesmen who wanted to increase their knowledge in the various trades.

I also congratulate the government upon the establishment of a Senate committee to study the means of improving the use of lands for agricultural purposes in order to

contribute more efficiently to the expansion of agricultural production and of the income of those engaged in agriculture. We should not be surprised at that proposal.

There are two classes of people for which the government, and more particularly the Liberal party, has done something. I am thinking of the working class and the agricultural class, so that this decision comes as no surprise to me.

The other day the Prime Minister (Mr. St. Laurent) pointed out that we are not holding aloof from agriculture. He quoted figures showing the considerable expansion shown by agriculture in the past three or four years. Moreover, the price support of butter, which enables producers to sell that commodity at a reasonable price, is already evidence that the agricultural class is receiving particular consideration from this government. The government continues to prove it by entrusting the Senate with a special study designed to determine how best we can help farmers to develop the land, especially submarginal land.

As far as we, city dwellers, are concerned, we are equally grateful, as municipal authorities are bound to be also for the decision made by this government to submit to this house at this session a bill to amend and extend the scope of the Municipal Grants Act, with a view to authorizing the payment of grants in lieu of taxes on federal property in all municipalities where such property receives normal municipal services.

By this measure, the federal government proposes to give more to the municipalities, thus making it easier for them to solve some of their problems. No one will accuse this government of infringing upon the autonomy of municipalities because it helps them financially.

It is true also that this government has been thinking about all classes of society, as can be seen from the proposals to be made to this house. For instance, it proposes to improve again the situation of merchant seamen, of wheat producers and of people who depend on the production of furs in the far north. In the speech from the throne, several other advantageous measures are mentioned, to wit:

> Amendments of detail to a number of other acts will also be introduced.

Well, that opens the door to possibly a considerable number of sound and wise measures such as were always submitted by this government, and by the Liberal party, possibly to correct certain wrongs or at last to increase the benefits granted by these various acts now in effect.

Aware of all these achievements of the Liberal party, of everything that we have done in the past and of what probably will be done—even though I do not know exactly what parliament will do at this session—and, taking into account the legislation that will be enacted as well as all previous achievements, we are not afraid to face public opinion.

The other day I heard the leader of the opposition (Mr. Diefenbaker)—I wish to congratulate him for his nomination to that post even though his electoral prospects may not be very bright, not so much because of himself personally but because of the backward policies of the party he is leading—move an amendment in which he said that public opinion has turned against us and that the majority of Canadians will vote against this government at the next election. I wonder if the people of Canada will support a conservative program which does not contain a single constructive item. Will they hesitate to make a choice between a government which has brought prosperity to this country and another party—I mean the Conservative party—under whose regime we have known failure, hardship, depression and unemployment.

We are not surprised either by the generous attitude of this government towards Hungarian refugees. It has understood that charity knows no frontier, and has practised it wherever possible. When the fate of human beings is at stake, the Liberal party and this government have shown their eagerness to relieve the burden of the victims of pitiful situations such as the one experienced recently by Hungarians.

Canada also largely contributed financially to the Colombo plan, and she has given substantial assistance to all the distressed countries in the world. This is something we can be proud of. I do not think that anybody on the other side of the house could reproach us with what we have done in this field, and I do not believe that any well-meaning citizen could blame us for the assistance we have given to those various countries which know nothing but extreme poverty, and disasters of all kinds.

Nevertheless, while fully endorsing the many steps taken by this government to help

other countries, I think that now, as we have always done, we should more than ever welcome the requests which are now made by a large number of our citizens who in the past, have served our country, have contributed to its progress, and I mean particularly our needy older people. We have been told about a surplus of hundreds of millions, and we are shown that the future holds the promise of an expansion still greater than in the past. I feel therefore that the government should give serious consideration to the request which is now addressed to them by a large number of citizens, by the various members of all parties sitting in this house, with whom I join, to increase substantially the pension now being paid to our old people.

I wonder if it would not also be time to study thoroughly the matter of the help and assistance which should be given to that class of people who have passed 60 years of age. Because, as everyone knows, it is very hard for a man of 40, and even more so for a man of 50, to get a new job when he has lost the one he had. The economic pattern has changed. The days are no more when a man of 50 could actually get employment, when his services were required because of his experience. Nowadays things are different; it is quite a problem for a man of 50 or more to find a job. Therefore it seems to me that, in view of existing conditions, of the difficulties besetting the middle-aged worker when he is looking for an occupation yielding enough to live on, and considering this country's era of prosperity, it might be proper to amend the present act so as to grant our elderly people a pension when they are 60. Well, I shall be told, this will will cost additional millions of dollars. I am not blaming this government. It was this government, this party, which initiated all the social legislation from which the nation benefits, in spite of opposition from the other side of the house, and more particularly on the part of the Conservatives who thought family allowances absolutely anti social and opposed or tried to obstruct the passing of the old age pension; and lastly, every social security legislation we introduced was at first attacked by the party which today, with elections in the offing, want it improved.

I know that the present government and all successive Liberal administrations have given our people all they could. We also know that this government will put at our disposal all improvements we have the right to expect for those who are obliged to rely on these allowances. I am not finding fault with anybody but it seems to me that certain requests which are being made should be granted, taking into account—in the light of the forecasts of the author of the Gordon plan and of the great American economists, as well as those of our own prominent businessmen in the country—that we may be on the threshold of a decade of continued increased prosperity, and it is during such a period that we ought to help our people.

No doubt that this government will agree to increase old age pensions and, at the same time, family allowances. There is no need to tell you that heads of families could put those increases to good use by giving an education to their children and meeting certain family needs.

I am no prophet but I am optimistic enough to think that this government, when the next budget is brought down, will give us, not so much a surprise—for we are so used to fine gestures on their part—but, at all events, great pleasure by granting those requests which are being made to them by people in various parts of the country.

I would like now to touch lightly on the question of bilingualism, which has been brought before this house. I have no time to discuss all its implications and all its details, but, nevertheless, we will unquestionably have to recognize that there is a French achievement in Canada and that French is going to be spoken more and more.

It will be claimed in some quarters that that may be the cause of misunderstanding, of national disunity. Far from it. There are other countries with two official languages. In another country, Belgium, even three languages, Flemish, Walloon and French, are used to about the same extent. I do not think that Flemish seeks to dominate Walloon or that Walloon tries to displace French.

We are not interested in gaining the upper hand over those who speak only English. There is no question of our imposing French upon our English-speaking fellow citizens or upon those who speak nothing but English. The French language is not imposed, it asserts itself, for it is one of the two universal languages. For instance, a man who comes from any country, providing he speaks French and English, is sure to be understood all over the world. There is, therefore, no question, I repeat, of imposing French, because French

asserts itself. But it should be understood that when France lost her colony in 1763, our forefathers, the pioneers of this land, fought to preserve their language and that we also are determined to defend it against all attacks.

But I would point out to my English-speaking fellow citizens that from the standpoints of industry, trade, personal advancement and even of the exchanges they may have with other countries, it is in their own interest to know both languages. Once those who are particularly opposed to our language understand that it is in their own interest to speak French—even though they may not care to do so through sentiment—if they are realistic and I believe they are, they will come to speak both languages, and this will be of great help to them in business as well as in their relations with individuals of Canada and elsewhere.

In concluding my remarks on that subject may I assure those who might entertain some doubts on that point that nobody in the province of Quebec, where most French-speaking Canadians are to be found, wants to hurt or to offend the feelings of those who do not speak our tongue. We want that clearly understood. I repeat that we want them to consider that it is in their own interest to speak French just as it is in our own interest to speak English. When they come to realize that this country is and will remain a bilingual country, we will have complete national unity. We will then be able to call ourselves Canadians from one end of the country to the other and we will be proud to speak both languages outside our country, to speak the languages of the pioneers, the language of the people who founded this country and the language of the people who gave it such an extraordinary economic development, I mean the English people and the French people, who kept on living and increasing in numbers in Canada.

A speech from the member for St. Mary would not be complete without a word about the Jacques Cartier bridge. Apparently I did not get the results I had expected, and that is why I again make to the Minister of Transport (Mr. Marler) a request I have made time and time again, the abolition of tolls on that bridge. It is said that it cannot be done, in view of the fabulous sum of money derived from that source and the large expenses which are expected to be made. Besides, the consent of the provincial authorities would be required, and no request to that effect has been received so far from the provincial government, while the city of Montreal, which is the third party, has not yet expressed an official opinion on the matter. Therefore it might be difficult to get these tolls abolished before the three parties concerned come to an agreement. However something might be done for those who use that road, which should not be the responsibility of the federal government, as it comes under the municipal and provincial jurisdictions. That road serves a thickly populated area, if we take into account the thousands of people who live on the south shore. In the interest of those who come from Montreal and who have to cross to the south shore, because of this huge population, I believe that we should at least agree to abolish the toll now charged to the passengers in the various vehicles, and private cars. This would relieve to that extent the budget of workers, especially the thousands who are employed in Montreal. This would be only fair to the users of that bridge, and even to visiting strangers.

Mr. Dufresne: Would the hon. member allow me to ask him a question?

Mr. Dupuis: Yes.

Mr. Dufresne: Is the amount charged on the bridge he is referring to fully turned over to the federal treasury?

Mr. Dupuis: It is not turned over to the federal treasury as such, but it goes into the till of the National Harbours Board. Then, if there is a deficit larger than such and such an amount, the city of Montreal and the provincial government contribute to make up that deficit at the rate of $150,000 a year. We could perhaps find means to turn back a substantial part of the revenue to the citizens of the city of Montreal as was done already on numerous occasions, and as the hon. member for Quebec West has been able to find out in connection with grants to the universities and in other fields.

Mr. Dufresne: No, it cannot be said that this money is given to the universities.

Mr. Dupuis: After all, it comes from the pocket of the same suit. Anyway, the Liberal party always shows generosity and understands the various needs of this country. Its generosity is not surprising.

Mr. Dufresne: It uses the taxpayers' money.

Mr. Dupuis: The hon. member for Quebec West may rest assured that the remainder of the profits from the Jacques Cartier bridge, after the deduction of administrative costs, is put to useful purposes.

Now I have no intention, obviously, of speaking on behalf of the Minister of Transport, nor of making any promise I would be unable to keep, nor of saying anything which I would be unable to prove. Still, I would like to close my remarks on this subject by saying that I was informed that the toll gates are to be placed at the south end of the bridge so that those people who cross it to go to the island of Sainte-Hélène will not have to pay to reach their own property. I will renew this request later, if need be.

At the request of those hon. members who represent south shore constituencies as well as constituencies on the island of Montreal itself a new lane has been built to speed traffic on the Jacques Cartier bridge. We are told that the National Harbours Board will soon add another.

I shall conclude now as my time is up. Again I congratulate the government upon its proposals at this time. Far be it from me to approve any policy which would tend to destroy the autonomy of the various provinces. I strongly support bilingualism in this country and I conclude by expressing the hope, which is more local in nature, that my request concerning the Jacques Cartier bridge particularly, will be well received. Oh! I was forgetting a matter of primary importance and that is the question of increasing old age pensions and family allowances. I hope the requests I have made on behalf of those I represent in this house will be heeded.

(*Text*):

Mr. James A. McBain (Elgin): Mr. Speaker, as it has been the age-old custom on the part of members of this house, I also wish to express my congratulations to the hon. member for Edmonton-Strathcona (Mr. Hanna) and the hon. member for Gloucester (Mr. Robichaud) on their remarks and their contribution in moving and seconding the address in reply to the speech from the throne. Considering the emptiness of the speech from the throne I feel they have done a very fine job in making something out of practically nothing. As it also has been the custom for members when speaking in the debate on the address in reply to the speech from the throne to bring to the attention of this house matters concerning their own particular constituency, I intend also to direct part of my remarks to my constituency.

It has been a great privilege for me to represent the historic riding of Elgin since March 22, 1954. This constituency received its name from a former governor general of Canada, Earl Elgin. As I have pointed out before to members in this chamber, my constituency is approximately 50 per cent urban and 50 per cent rural, with the city of St. Thomas being the major urban centre. St. Thomas for many years was and is still known as the railroad city of Canada. It was and still is to my knowledge the only city in Canada which has six railroads running through it. Due to many changes in railroading during the past number of years the railroad repair shops in this city have practically disappeared and at the present time they are almost non-existent. During this change in railroading many former employees of the railroad shops have had to seek employment elsewhere. Due to our city council who had a vision to the future and progressive boards of trade headed by one of the top industrial commissioners in Canada, St. Thomas has been able to offset this change in industrial employment by attracting a large number of industries and many United States subsidiary firms.

To attract this type of industry a city must have among other things adequate housing accommodation. The city of St. Thomas never has gone all out in a large scale housing program at any time. However, it has endeavoured to provide housing accommodation to meet the demands of industry as industry required housing. In April 1956 the city made application to have erected some 35 rental housing units. This application was made to the Central Mortgage and Housing Corporation and at that time a survey was made in the city of St. Thomas to determine the needs. It was shown that the needs were definite at the time of the original application. Mr. Speaker, it took from April last year until the first part of January this year to obtain the final approval from the Department of Public Works and from the Central Mortgage and Housing Corporation. This means that it will be well on in the summer months before the housing units can be completed to the point where they can be occupied. It would appear to me that a project of this kind could have been processed in much less time and in fact could have been processed in time to give much needed employment to our local contractors during the slack winter months.

I am sure that the people of the city of St. Thomas and of the surrounding area are at last, after having received promises over a period of ten years, pleased to see the start of construction on the new federal building. There are many people who may regret to see that the old landmark of the present

post office is being razed. However, we anticipate that the new building will bring beauty along with additional accommodation to the city and the surrounding area.

In offering suggestions to the Department of Public Works there are two more on which I wish to comment at this time. One is the method employed in letting the smaller public works contracts. I am speaking of contracts in the range of from $1,000 to $10,000. I have been given to understand that the method used is to ask at least two contractors to submit a price on the project. Then what usually happens is that these two contractors get their heads together and they both bid on the project. Possibly one says to the other, "I had the last public works contract, I am busy now, you take this one, and I will make my tender a little higher." If this method were practised generally all across Canada the cost to Canadian taxpayers would be many thousands of dollars. It would cost them much more than if these small projects were locally advertised and the local contractors given equal opportunity to bid on the contracts on a competitive basis.

Mr. Speaker, I am not suggesting that the Minister of Public Works (Mr. Winters) himself is guilty of party patronage in letting these contracts. I know through my direct dealings with him that he is sincerely endeavouring to run his department on a non-partisan basis. For the major public works needs those needs are considered on a merit basis, but when this authority is delegated to someone else down the party line it gets out of hand and some place, somewhere, somebody plays favouritism at the expense of the Canadian taxpayer.

My second suggestion to the Minister of Public Works is in connection with the letting of dredging contracts for the harbours of Port Stanley and Port Burwell. These two ports usually silt very badly during the winter and early spring, and on many occasions shipping is delayed for many days on the opening of the navigation season. The shipping is delayed because no contract has been let for harbour dredging and it is necessary to wait upon the Public Works Department to dredge a channel to let the boats come in. As this is an annual works project I suggest, Mr. Speaker, that contracts should be called earlier in the year so that the successful contractor would be in a position to start dredging as soon as the ice is out of the harbour.

In the 1955-56 season, when the dredging contracts were carried over, I believe there was less delay in spring dredging than in previous seasons when contracts were called for after spring soundings had been made and calculated.

Mr. Speaker, I wish to turn now to the subject of agriculture and bring to the attention of the house something of which we as agriculturists are very proud in our constituency. I may say that Elgin county is proud of the fact that it has within its boundaries a co-operative that has expanded in recent years to be the largest farmer owned co-operative of its kind in Ontario and possibly in Canada. It was in 1944 that a number of progressive farmers in the county got behind the idea of a co-operative movement for the buying and selling of their grain crops, feeds, fertilizers, eggs, lumber and building supplies, fuel, etc.

In mentioning the distinction which has been gained through having the largest co-operative of its kind, I would point out the great importance of what its growth has meant to St. Thomas and Elgin county in services for and by the farmers. A business turnover of nearly $4½ million each year for the last two years reflects the progress this industry has made. This growth can be translated into thousands and thousands of bushels of corn, soya beans, white beans, yellow eye beans, wheat, oats, barley seeds in variety, tens of thousands of tons of fertilizer and mixed feeds.

In 1955 over 900,000 bushels of corn were bought and sold through this co-op. This corn went mainly on the market as feed in competition with subsidized western feed grains. This co-operative is one of the few that returns all its patronage dividends to its farmer member shareholders as cash returns. In March of 1956, patronage dividends were returned to over 2,400 members to the amount of $88,000, and a total of over $500,000 has been returned as patronage dividends in 11 years of operation. This is a kind of farm service which has made Elgin Co-operative Services the largest farmer-owned buying and selling co-operative of its kind. With such a record of service its future would appear to be unlimited so long as Elgin county continues to have farmers and farm families of the type and calibre who have brought about this great development.

I bring this matter to the attention of this chamber and the government because I feel there are many other communities all across Canada which could benefit immensely by the government showing more initiative in lending support to assist co-operative organizations to become established on a sound financial basis. This would help in some measure to offset the increased cost of production.

I wish to turn now to another agricultural item which is very important in my riding, along the shores of lake Erie, and in other areas in Canada where people are able to grow tobacco. Tobacco is a very important item in the nation's economy at the present time. The Canadian government derives, on an average, $233 million a year in revenue from the industry if one includes property taxes, income taxes and excise tax on cigarettes, cigars and so on.

When cultivation of tobacco was first started in the early twenties, 1,000 acres was produced. The average yield per acre was 800 pounds. This has blossomed to an allocated acreage last year of 113,000 acres yielding between 160 and 170 million pounds with a market value around $70 million.

In keeping with this growth in the industry itself, the value of tobacco farm land has increased tremendously in recent years. Land which was worth between $30 and $40 an acre back in the twenties before tobacco was grown on it has increased in value in some areas to as much as $1,000 per acre. The increase in production which I have mentioned has also seen the average yield increase to about 1,400 pounds per acre. For the last two years the industry seems to have been undergoing a levelling-off process; the get-rich-quick day is gone. The price of land makes it unwise to invest between $100,000 and $150,000 in a first class tobacco farm, for it would take a lifetime to get the original investment back as things stand at present. Banking credit restrictions are "putting the squeeze" on the tobacco grower.

One thing that would improve the industry would be the lowering of the excise tax on cigarettes and other tobacco products. At the present time the farmer's return for every pack of cigarettes is about three cents. Manufacturers and distributors take about 12.5 cents and government revenues account for over 17.5 cents on every package selling to the consumer for 33 cents.

I wish to bring the attention of the house to the system under which tobacco is purchased at the present time. The tobacco market opens on a set day, but before that date the tobacco company graders have been to every tobacco farm and have looked over the tobacco each grower has to sell. The crops are graded, so the companies know exactly what tobacco is available before any price-setting meeting takes place. Since these companies know what a grower has to sell, they set a price before the buyer drives up the farmer's lane. The buyer offers his price, take it or leave it. He could be on the farm less than 10 minutes and then is gone. There is no time for the grower to make up his mind and no time to discuss what he himself thinks his crop is worth. If the grower wants an hour or so to think it over he stands to lose, for when the buyer returns he often offers from half a cent to three cents less than his original offer an hour before. No matter what happens, under the present set-up the grower stands to lose.

I should like to read into the record a letter published in the Rodney *Mercury* of January 16, 1957. I believe the writer of the letter expresses the feelings of the many hundreds of flue-cured tobacco growers under the present system. The letter was addressed to the editor of the paper and the writer signs himself, "A New Canadian Grower". The letter reads:

> In the past you showed great understanding of problems facing all the tobacco growers. Your editorials concerning tobacco buying practices were true voice of the growers. For this you deserve our sincere thanks. We hope in the future your paper will take the same stand in regard to our efforts to correct the present rotten situation.
>
> I am positive the people who helped to organize the Ontario flue-cured tobacco marketing association had the best intentions to protect the rights of both growers and buying companies. Unfortunately, it turned out to be of great service to the buying companies in cheating the grower.
>
> In our bylaws there are many restrictions, fines, obligations and fees imposed upon the grower members. Nothing of this kind is for the buyers. If there were any it would be disregarded by them anyway because they are the masters of the situation they created.
>
> The present grading and buying practices turned into a shameless situation robbing the grower of his hard-earned profit. Humiliation of the grower by the buyers during so-called marketing time reached its peak. God help the farmer who dares to show his dissatisfaction about the cheating he gets or refuses to sell his crop for the price the first buyer offers.
>
> No wonder the press representatives are not allowed to attend the meetings of the board. No wonder the grower members are kept in the dark in all the dealings of the board. No wonder the grower members are not informed about the findings of the federal government's investigation committee and its recommendations. Something is really wrong with the board.
>
> I am a new Canadian and I work hard to earn my living. I do not enjoy too many of those long hours of hard work, as an Elgin tobacco grower stated a few weeks ago in his letter to the editor. I would rather be in some resort with our chairman of the association vacationing. Unfortunately, I consider hard work as my obligation to my family and the community I have chosen.
>
> I believe the present situation in the marketing association would not exist if all the tobacco growers were Canadians of old standing, but I do not think only the new Canadians are to blame. In my opinion those of long standing should take the lead in correcting the present situation. I assure you new Canadians will gladly follow them. After all it would not be too polite for a new Canadian to reorganize in the country where he just warmed up his feet. Let's forget all the differences between us and unite in the efforts to do something about this association of ours.
>
> Our hopes are raised by the suggestions of the federal government for the changes in marketing control; the recent secret meetings of the growers in various parts of the country and the news that

the petition asking the government to set up the marketing legislation will be circulated among us, are most welcome. I assure you my signature under this petition will be among thousands of others who feel that time has come for changes.

I would like to take this opportunity to ask the fellow growers to express their views in this paper. Let's write about our problem. Let's show the buyers how much we hate the present rotten business. I do not think they will be too happy reading it. And when the petition comes in to our district asking our government to step in, let's everyone sign it.

That letter is signed, as I said before, by "A New Canadian Grower". We know that the supreme court is still considering the merits of our farm products marketing act and as yet has not rendered its decision as to the validity of the act. Regardless of what the decision may be, I hope that the government, if it is still in power and not dissolved by that time, will give every assistance possible to the flue-cured tobacco growers to form a marketing association under farm products marketing legislation should they so wish and decide to do so.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

MAIN ESTIMATES, 1957-58

A message from His Excellency the Governor General transmitting estimates for the financial year ending March 31, 1958, was presented by Hon. W. E. Harris (Minister of Finance) and read by Mr. Speaker to the house.

SUPPLEMENTARY ESTIMATES, 1956-57

A message from His Excellency the Governor General transmitting further supplementary estimates (2) for the financial year ending March 31, 1957, was presented by Hon. W. E. Harris (Minister of Finance) and read by Mr. Speaker to the house.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed consideration of the motion of Mr. R. F. L. Hanna for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Diefenbaker, and the amendment to the amendment of Mr. Shaw.

Mr. T. J. Kickham (Kings): Mr. Speaker, I wish to join with hon. members who have preceded me in this debate in extending my congratulations to the mover (Mr. Hanna) and the seconder (Mr. Robichaud) for the splendid contributions they have made in opening the debate on the address in reply to the speech from the throne.

I wish first to express my thanks on behalf of the people of my county for the public works program carried on in my county and to thank the Minister of Public Works (Mr. Winters) for the new construction of the Georgetown railway wharf, and the construction of a new frost-proof potato warehouse on the wharf, replacing the now obsolete warehouse this coming season.

A great deal has been accomplished in the dredging of harbours, thus deepening the waterways to give sufficient draft for fishing boats to reach the wharves and also in new construction on breakwaters and wharves. All this work was necessary in order to assist fishermen and farmers in carrying on successfully their respective industries. There still remain numerous requests for similar work to be carried out at many fishing centres, and I am always fervently hoping and asking that those requests will be met through sufficient money appropriations. I realize, however, that we cannot expect to have everything done all at once, as a government can only spend money in keeping with their annual revenue from year to year. I can say to the minister that we are thankful for the recognition and the appreciation he has acknowledged of our need in regard to assisting fishermen and farmers in the prosecution of their daily pursuits.

Our farmers and fishermen suffer greatly because of the continuous freight rate tariff increases, and of course this applies to the four Atlantic provinces particularly because of our geographical location in Canada. Long hauls mean that we are without the truck transport competition enjoyed by the central provinces, with accompanying lower freight tariff rates to remedy this discrimination. I would suggest to the government that if they compensated the railways for the increases in freight tariff rates, amounting to over 100 per cent since 1945, especially on our major products such as coal, potatoes and fish, this action would assist the economy of the Atlantic provinces greatly.

As each of those three are bulky products and as the present freight rates bear heavily on those industries, I would also urge that the feed grain freight assistance as well as the Maritime Freight Rates Act be restored to its former effectiveness before the horizontal increase in freight rates took place. To my mind there is no better measure that the government could decide upon to assist the economy of the Atlantic provinces than to absorb a large portion of freight rate tariffs on our products going to central Canada. This

would give us the most direct and immediate relief and the greatest encouragement, and would be equal to a blood transfusion to our economy. The ever-increasing freight rates are a terrific burden on us and do not allow us to compete on equal terms.

It has been said that any depressed area in Canada reflects itself on the whole economy of Canada. I believe this statement to be true. I believe I have suggested one obvious way of mitigating our economic difficulties, at least to some extent.

Many farmers in our province in need of funds to finance their farm operations find it most difficult to procure a loan through the Canadian farm loan board because of the high level of security required before a loan is approved. The Canadian Farm Loan Act has been in operation for the past 27 years and provides for only 14 per cent of all farm loans in Canada. The losses sustained since its inception have been insignificant. To assist farmers in acquiring loans the security required should be reduced by 25 per cent. If this were done, many applicants who are now ineligible could become qualified and could take advantage of the interest rates and amortization provisions for which the act provides. A decrease in the amount of security required, in line with my suggestion, would permit greater latitude to be exercised by the district supervisors and would give the act more flexibility. At present it is far too restrictive in character. It would seem that the length of time which elapses from the date of application until appraisals are made on the farm properties is entirely too long. Apparently some district offices are understaffed and, through no fault of the district supervisor, the applicant becomes frustrated because of the extremely long waiting period.

This Canadian farm loan board could be made the best loan agency in Canada, but it must cast off much of its security requirements. I trust that the Minister of Finance (Mr. Harris) will broaden out this legislation and make its lending facilities reach out to supply the borrowing needs of many more farmers than it does at the present time.

I should like to say a word on veterans pensions. Many veterans who served in the first world war but who did not go beyond England are not eligible for the war veterans allowance. The same thing applies in the second world war in respect of veterans who did not serve outside of Canada and Newfoundland. Some of those veterans voluntarily would have gone overseas but, because of special qualifications, they were retained in Canada. They are now denied war veterans allowance by our legislation.

My suggestion to the Minister of Veterans Affairs (Mr. Lapointe) is to grant to all veterans reaching the age of 60 years $40 per month, in the same way as all citizens reaching the age of 70 automatically receive $40 per month. Forty dollars per month should be of great assistance to many veterans who find themselves in distressing financial circumstances.

Our fishing industry is most important in my province. The provincial and federal departments concerned are co-operating in splendid work in research and applying scientific methods to the catching of fish and also to the manner of processing the fish.

I should like to see the cold storage and refrigeration legislation broadened so that packers and processors would become eligible to receive subsidies for the construction of refrigeration plants. Refrigeration is now an absolute necessity and if the packers and processors were given assistance they would be able to provide this necessity. Often they are unable to provide refrigeration out of their own resources, and any assistance granted is of benefit to each individual fisherman.

Before concluding my remarks I wish to thank the Minister of Fisheries (Mr. Sinclair) and his parliamentary assistant (Mr. MacNaught) for the splendid work they did at my request in allowing quahaugs to be removed from polluted waters in Queen's county, transferred to the beaches of King's county for cleansing purposes and reclaimed for processing in King's county. I am not going into detail about the difficulties the minister met, but I do know there were many barriers to hurdle because of health regulations both in Canada and the United States. In this respect we had the fullest co-operation from the Minister of National Health and Welfare (Mr. Martin). I shall defer any further remarks on fisheries until the minister's estimates are before the committee.

Mr. J. A. Smith (Battle River-Camrose): I am very happy to have the privilege of taking part in this debate, Mr. Speaker, particularly at the present time when I am given the opportunity of supporting the subamendment which was so capably presented to this house last Thursday by my colleague the hon. member for Red Deer (Mr. Shaw). This subamendment criticized the government for failing to take effective action to stop the continuous rise in the cost of living; secondly, the failure of the government to lay down and follow policies under which the Canadian farmers and other primary producers can enjoy an equitable share of the prosperity

which Canada can achieve; thirdly, the failure of the government to bring old age pensions and other social security payments into line with the present cost of living.

This afternoon, Mr. Speaker, I propose to deal with a few of the many problems which are confronting men and women engaged in our basic industry, agriculture, and to suggest to the government a few steps which, if the government is truly interested in the well-being of this industry, can be taken to relieve the situation in which farmers across Canada now find themselves. Since coming down here we have been made very conscious of the fact we are going to ask the people across Canada very soon to again choose the government they wish to manage the affairs of our great country for another four or five years. Since that is the case, now is the time for each and every one of us in this house to do a little reflecting. We should ask ourselves a few very simple questions such as these: Have we in the past years done our best to serve our constituents and the people across Canada as they deserve to be served? Have we seen to it that all phases of our economy have been fairly treated or have we permitted some sectors of our economy to suffer?

As to the last question, Mr. Speaker, we in this group feel that many segments of our economy have been badly treated. It is interesting to read the glowing accounts of our national prosperity but it is very difficult to reconcile this rosy picture with the true state of affairs found in the agricultural industry, especially when we find approximately 18 per cent of the people who are engaged in agriculture in Canada receiving less than 7 per cent of the national income. However, we cannot find any evidence in the speech from the throne that it is the intention of the present government to do anything about this situation. It is true that this matter has been causing great concern throughout Canada. In fact, the supporters of the present government, the delegates who attended the Alberta Liberal association convention at Calgary in November of last year, expressed their dissatisfaction with the federal agriculture policy, if it could be called a policy, which has been followed over the years. According to press reports this convention asked for a system of parity prices on farm products, and also urged the government towards greater efforts to find markets for our grain and other agriculture products.

This convention passed a resolution urging the government to provide long-term loans to young farmers. Another resolution which was passed at this particular convention deals with the equalization of floor prices for hogs as between the eastern and Pacific coast markets. I am given to understand that a good percentage of the delegates attending the convention represented the agriculture industry of Alberta and one delegate used these words in describing his position. "Farmers are clinched; they cannot move. The government tells us we are prospering but everyone is in debt." In order to prove my statement that these delegates who are supporting the Liberal party are concerned and are unhappy about the situation as it now exists may I cite the fact they said "that something must be done about agriculture policy if we wish to elect Liberal members in the west".

Now, Mr. Speaker, these requests I have mentioned have been a part of the agriculture program of the Social Credit party down through the years. Even though we have advocated these policies in this house, the government has not seen fit to do anything about them. Last summer, for example, to give you one illustration, we received the assurance of the Minister of Trade and Commerce (Mr. Howe) that after the end of the crop year, July 31, he would see to it that attempts would be made to ensure that those points in the west which were on a low quota basis would be given a preference in the new crop year. I wish to be fair in this matter. I do not wish to blame the Canadian wheat board at all for the chaotic conditions that exist in the marketing of wheat in the west. Even though the Minister of Agriculture (Mr. Gardiner) is reported to have made this statement while attending a meeting in southern Alberta: that the Canadian wheat board was the sole control of the marketing of wheat I am not prepared to accept that statement. The Minister of Agriculture knows full well that the Canadian wheat board can market our wheat only within the confines of the faulty marketing policies of the present Liberal government and the financial policies adopted by the government as well.

Last summer we had the privilege of sitting in on the hearings of the agricultural committee at which the Canadian Pacific Railway was in attendance. I feel, Mr. Speaker, that the Canadian Pacific Railway must stand condemned for a part of the situation which now exists on the western prairies as far as grain marketing is concerned. I feel that the Canadian Pacific Railway deliberately failed to co-operate last spring with the then transport controller. I can find little evidence, Mr. Speaker, that the same railway has tried very seriously to do anything about relieving the

situation that is found on the Canadian Pacific lines in western Canada at the present time.

I have followed the marketing of grain in my riding very closely and I have found many points which were on a 5-bushel quota had not completed their 2-bushel quota at the end of the crop year, July 31, 1956. On the other hand, I know of points in western Canada which were on an 8-bushel quota on July 31 of last year and have now achieved a completed 3-bushel quota. I have been in constant touch with the Canadian wheat board with regard to this situation, since it affects farmers in my riding, and I just wish to read briefly from a letter which I received in November from a leading official of the Canadian wheat board. He had this to say:

> I would point out that both railways have materially increased their car supply in the shipping of grain during the period from August 1 up to present. From August 1 to October 31, the C.P.R. has supplied 43,830 cars as compared to 28,415 last year; the C.N.R. has supplied 41,598 cars as compared to 29,278 last year. However, notwithstanding the fact that the C.P.R. have increased their supply by approximately 15,000, the C.N.R. have increased their cars by approximately 12,000, but the total number of cars supplied by each road is just about equal when you take into consideration that about 57 per cent of the grain that we have for shipment is located on the C.P.R., with about 43 per cent on the C.N.R. You will appreciate that, as long as the C.N.R. continues to match the C.P.R. supply the stations on the C.N.R. will be in better shape than those on the C.P.R.

In other words, just as long as this government refuses to appoint a new transport controller with the power to direct orderly and equitable marketing of grain in the west this situation will continue and the farmers living along the C.P.R. lines will continue to be discriminated against.

I know that some attempts have been made to justify this situation. Several reasons have been advanced. Most of the reasons which have been advanced have been decidedly weak. Perhaps one of the most prevalent reasons is the need of wheat of a particular quality; that shipping orders are given for a certain grade of wheat. That argument does not stand up when you look at two points not more than 10 miles apart. The wheat marketed at these two points is in most instances of the same quality and grade. Therefore, that argument must necessarily fall down.

In closing this matter, Mr. Speaker, may I say I do feel that the government should do something immediately to see that the Canadian Pacific Railway takes immediate steps to put into the west the same percentage of cars as the C.N.R. They should do something about trying to catch up with the man-made lapse of six weeks last spring. As I pointed out a moment or so ago, the situation in the west continues to be serious. In the west low quotas mean that the farmers are unable to market their grain. It means that they are unable to get cash money to pay their taxes and to do other things. We are told that one of the reasons that there is such a glut of wheat in the west is that there is a surplus of grain throughout the world. At this time I wish to refer to a short article which is entitled, "How Big Is The Surplus?" It deals with the surplus of wheat as it exists in the world today and reads as follows:

> The present large stocks of wheat are a serious impediment to the ready marketing of new production. They are regarded gloomily by governments, farmers and business people in the export countries. The Canadian Bank of Commerce recently termed the wheat carryover as "astronomical".
>
> There is no doubt that under our pattern of trade and distribution the situation is serious but the volume is inclined to impress us beyond its real proportions. We see the 1½ billion bushel world carryover as almost the equivalent to the entire normal export figure for a one and a-half year period.
>
> We overlook the fact that the world's population is also astronomical. There are over 2½ billion people and in terms of food reserves we have only 36 pounds of wheat per person. In the United States, where flour consumption is moderate, 190 pounds of wheat a year per person is consumed.
>
> For much of the world population wheat is unobtainable but the annual consumption is in the neighbourhood of 6 billion bushels. A 1½ billion bushel surplus is the equivalent to a three-months supply for this wheat-eating section.
>
> Awkward as carryovers may be to world trade, a 90-day reserve supply of such an important food commodity does not seem unreasonable.

I say, Mr. Speaker, few livestock men would care to operate on a narrower basis as far as basic food reserves are concerned. The article goes on to say:

> The human race should be able to design an economy that would permit it to carry some assurance against emergency food depletion without causing a marketing breakdown and penalizing the producer.

I mentioned a short while ago that 18 per cent of the people of Canada are engaged in the basic industry of agriculture and they receive less than 7 per cent of the national income. There are many reasons for this. Perhaps one of the reasons for the present condition in which farmers find themselves is that the farmers of Canada are perhaps the only major wheat exporting people in the world who are operating in a purely unprotected market as far as the selling of their products is concerned. The farmers of Canada are finding themselves entwined in a terrific cost-price squeeze. That is perhaps true to some extent of farmers throughout the whole world.

Here I have a short article which gives the over-all position of the farmers throughout some of the major countries of the world. I find that in the period from January 1, 1953 to the end of the first three months of

1956 the over-all position of the farmers in these countries followed a pattern. In Australia the over-all position of farmers declined 15 per cent; in Canada in that period the position of farmers declined 19 per cent; in Finland the over-all position was up 23 per cent; in West Germany, up 11 per cent; Japan, up 4 per cent; in the Netherlands down 5 per cent; and in the United States down 16 per cent.

I wish to point out that as far as the farmers in Canada are concerned their position declined 19 per cent, more than in any other country shown in this set of figures. This is a sad picture, but it is true. I have never heard the Minister of Agriculture (Mr. Gardiner) get up on the floor of this house and give a convincing argument against the statement that agriculture in Canada is in a deplorable condition. I am looking forward with interest to his doing so at some time during the present session. I would like to ask the Prime Minister (Mr. St. Laurent) why he has permitted our basic industry to dip down to such low economic levels. This situation, if allowed to continue, will eventually lead to the complete collapse of our food producing industry. I know that in our own area local government bodies along with businessmen and others who are associated with the farmers are finding it increasingly difficult to carry on as a result of this ever-decreasing income.

In my own municipality of Vermilion river arrears of taxes have risen to the startling figure of $609,715. This means that 36 per cent of all the parcels of land in that municipal district are in arrears of taxes. In the municipal district of Wainwright, which is south of my municipality, a similar condition exists. Arrears of taxes in 1955 had accumulated in that municipality to $267,077 with 108 parcels of land under tax recovery.

Mr. Byrne: Provincial taxes are too high.

Mr. Smith (Battle River-Camrose): Forget about that. You do not know about that or you would not speak that way. The reason for the great increase in tax arrears in these two municipal districts must be obvious to all, even to my hon. friend the member for Kootenay East (Mr. Byrne). It simply means that the farmers of these districts do not have the cash with which to pay their taxes. I know of many farmers who for the first time since the depression years have had to forgo the payment of their annual taxes.

I now wish to spend a few moments on a matter which is of concern in this house. It is the unfairness of the present existing floor prices on hogs. When one considers that 90 per cent of the hogs exported from Alberta in 1955 found their way to markets in British Columbia and that it costs only $1 per hundredweight to ship a hog from Edmonton to Vancouver, how can the Minister of Agriculture justify the wide spread in the floor prices on hogs that exists between the Edmonton and the eastern markets of Toronto and Montreal? The floor price for Edmonton is $18.50 per hundredweight and $23 per hundredweight on the Toronto-Montreal market. Surely if there is any justice at all in the differential of floor prices for hogs across Canada or any justice at all for this spread the minister would establish a floor of $22 per hundredweight on the Edmonton market.

The farmers of Alberta raise good hogs. They would raise more if they were assured of a fair return for their labours. The drastic reduction in the number of hogs raised in Alberta last year was a direct consequence of the unstable markets that existed the previous year. At one time Great Britain was a large importer of Canadian pork products, but for reasons best known to the present administration the market has presently disappeared.

I wish to go back to the year 1935 when this present administration took over. That year we exported to Great Britain over one million hogs. In 1940, just at the beginning of the war, we were exporting to Great Britain over 2,800,000 hogs. I am prepared to admit that during the war period there was some increase in the demand for Canadian hogs. At the end of 1945 we exported to Great Britain 3,600,000 hogs. By 1950, five years after the close of the war, the British market had slipped from a high of 3,600,000 to just slightly over 600,000 hogs. Five years later in 1955 we exported to Great Britain 53 hogs. Up until the end of July last year we had not sold Britain one pound of pork products. Surely there is something wrong with the marketing policies of a government which allows such a situation to develop.

I would like to comment briefly on the operation of the agricultural prices support board. The story has been spread across Canada that the operation of this board has cost the taxpayers of Canada a tremendous amount of money. The board was established in 1946. Since 1946 the administration of the agricultural prices support board has cost the people of Canada $89 million. The greatest part of this amount, $70 million, was spent in paying the loss to the farmers of Saskatchewan by reason of the foot-and-mouth disease outbreak in 1952.

The remainder over a ten-year period was allocated in this manner: $8.5 million for cost of butter support since 1949; $6.7 million

for apples; and $2 million for potatoes. The other support items are relatively small, not including the foot-and-mouth crisis. In the ten-year period price supports have cost the treasury of Canada less than $2 million per year or about 15 cents per person in Canada per year. That certainly is not an extravagant amount to guarantee to the farmers of Canada support prices.

I turn now to the figures of the bureau of statistics, using as a base the period 1943 to 1945. The estimated parity price on butter in 1956 is 71.6 cents per pound. The average marketing price of first grade butter during the past year was 58.6 cents. As far as hogs are concerned, using the same period, the average market price for B-1 hogs across Canada was $25.98, parity $28.87 per cwt. Grade "A" (large) eggs, per dozen in Montreal parity 71.4 cents; the average market price only 58 cents.

I think, Mr. Speaker, it is high time the Minister of Agriculture gave serious consideration to bringing the Agricultural Prices Support Act in line with the parity established for the base period 1943-1945.

At the commencement of this address I suggested that I would request the government to give very serious consideration to certain proposals which I feel would help relieve the crushing burden now borne by Canadian agriculture. I would like to see the present government take immediate action with regard to certain proposals:

1. A system of cash advances on farm-stored grain, payment of these advances to be administered by some agency other than the Canadian wheat board, and the cost of administration to be borne by the government.

2. Immediate action to be taken toward the extension of permanent government-owned storage facilities and the renewal of the policy of encouraging the use of temporary off-site storage facilities to enable farmers to deliver their grain.

3. Introduction of an aggressive and realistic foreign sales policy as far as our agricultural products are concerned.

4. Opening of a thorough investigation into the merits of the two-price system of marketing our agricultural products with a view to establishing a parity price for all agricultural products.

5. The marketing of flax and rye to be handled by the Canadian wheat board.

6. Equalization of the floor prices paid on hogs all across Canada and a raising of these prices to bring them in line with estimated parity using the period 1943-1945 as the base period.

7. Amendments to be introduced to the Farm Loan Act to make this act of some use to young men wishing to enter the agriculture industry.

8. The enactment of an all-risk insurance plan which will assure the farmers of Canada a just income in case of crop failure or some other disaster.

9. The acceptance of sterling and the currency of other lands to stimulate trade with those countries, and

10. The immediate appointment of a transport controller with power to see that there is an equitable distribution of box cars in the west at all times.

In closing, Mr. Speaker, I wish to commend the remarks of my colleague for Red Deer (Mr. Shaw) and other members of this group in support of their plea for further assistance to the senior citizens of this country, and to make one observation concerning the C.P.R. strike.

This strike meant a nine-day delay with regard to the movement of grain along the C.P.R. lines. I would ask the Minister of Trade and Commerce (Mr. Howe) and the Minister of Transport (Mr. Marler) to use whatever influence they may have toward seeing that grain movement along the C.P.R. system be accelerated as much as possible so that farmers delivering grain at C.P.R. points will not have to suffer any more than necessary as a consequence of this strike.

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I understand it is not customary for the mover or seconder of the address to speak again during the debate on the address in reply to the speech from the throne. I am informed, however, that as a vote on the first subamendment has been taken, and as a second subamendment has been moved and is presently before us for consideration, it is in order for me to speak again.

Two major problems directly affecting the province of New Brunswick and, I could say, the Atlantic provinces, have been a topic of important discussion during the present debate. One was the recently published preliminary report of the Gordon commission and the other was the question of power development in New Brunswick.

It is not my intention to review what has been said by opposition members with regard to the Gordon commission's preliminary report on the Atlantic provinces. As expected, the report devoted a special section to the problems and difficulties with which people living in the Atlantic provinces must contend.

Notwithstanding the fact that our average incomes continue to lag behind the average for the rest of Canada, we cannot deny that in the maritimes per capita net incomes have increased by 94 per cent between 1926 and 1955, as compared with an average increase of 80 per cent for the six other provinces.

We all admit that living standards in the Atlantic provinces are lower than in the rest of Canada, and it is our duty as representatives of that region to make a positive and comprehensive approach to our problems. It is not, Mr. Speaker, by painting gloomy pictures of our situation, by crying havoc or despair and by destructive criticism such as we have heard from opposition members that we will contribute to improving our condition or overcome our difficulties.

A number of newspapers and even some men in public life have passed a quick judgment or have expressed their disappointment with respect to certain recommendations contained in this preliminary report of the Gordon commission. Some have been expert enough to extract single sentences and deduce from these their own conclusions. Some have been insulted, scandalized by the suggestion that the government pay the cost of relocation for people who may wish to move away from the maritimes to other areas, and a few, I am sorry to say, must have expressed their opinion without even reading the report.

Constructive suggestions are being made which, I am sure, will receive serious consideration from this government and, I could also add, from provincial and municipal levels. It is a well-recognized fact that inadequacies do exist in our transportation facilities, and appropriate measures should be taken in order to provide solutions. The Gordon report suggests that the "whole question of an improved but integrated system of transportation in the Atlantic region should be examined carefully and in detail, proper consideration being given to the cost involved in providing any new facilities and to the losses being incurred in the operation of existing services". The commission goes further and suggests that "this should be the subject of a special inquiry which will also include in its terms of reference re-examination of the present effects of the Maritime Freight Rates Act". The report urges that this proposed inquiry be undertaken promptly and, upon its completion, that the measures required to improve the present situation should be taken without delay.

Among other suggestions is that of an expanded program of geological surveys, and that of a land use classification scheme coupled with the provision of assistance to people who may be willing to move to other areas and re-establish themselves in other industries. Suggestions are also being made with reference to our coal industry, and I wish to quote from page 103 of the report, paragraph 13:

> We suggest therefore that the emphasis of the present subsidy arrangements should be modified in order to give priority to the greatest possible use of Nova Scotia coal in this region.
>
> We believe that changes in the present subsidy arrangements should include incentives designed to encourage the use of Nova Scotia coal in the generation of thermal power in the Atlantic region.

The use of coal for thermal power should in the future prove to be the main solution to our maritime problems. It will provide work for our miners and power for our industries. Let us be logical. Let us be realistic in our thinking and in our admission of problems and facts with which we must contend. Can we in reality expect the same living standards to prevail throughout our country from coast to coast? Are the living standards in the states of Maine and Vermont comparable to those of California or some of the most industrialized states of our American neighbours? Are the living standards of the Normandy coast of France comparable to the existing conditions along the Mediterranean shores?

What we require, Mr. Speaker, as I have said earlier, is a positive and comprehensive approach to the problem facing us in the Atlantic provinces. We have heard remarks expressed in the house by some opposition members which, if taken seriously, would lead every one of us to leave at once our maritime regions for other parts of Canada.

Let us face facts. We do have in many areas many sections of our Atantic provinces, certain settlements, certain groups, which should never have been allowed to establish themselves in those remote regions where no government assistance, not even substantial hand-outs, could provide the type of living standards which would bring these groups up to a fair basis with other people in the most favoured regions in the country.

What is the actual situation in New Brunswick? I should like to quote a few paragraphs from the annual New Year's message to his people of the premier of New Brunswick, as taken from the *Telegraph-Journal* of December 31, 1956.

> Premier Hugh John Flemming expressed confidence in his annual New Year's message to the people of New Brunswick that 1957 will be "a year of outstanding achievement" for the province.

Further on there are these words:

> I see no reason why I should qualify or subtract from that prediction in any way since, month by

month and week by week, everyone in this province has been conscious of living in a new and vigorous atmosphere of enterprise and well-being. This feeling of ours has been strongly supported by statistics. For instance, the index figure for employment in the province was 111.4 in September, 1955. In September, 1956, the figure had risen to 116.7.

Again he says:

Upon the basis of statistics for the first three quarters of 1956 we are entitled to predict that 1957 will be a year of outstanding achievement.

He goes on further and enumerates some of the industries which have started in New Brunswick. He says:

Private industry has invested many millions of dollars in new plant capacity in our province. One of the largest long lumber mills in our history is about to go into production in the Saint John area. Expansion of pulp and paper capacity has also gone forward. All major manufacturing industries have been very active. Smaller plants and new industries have, perhaps, shown the greatest expansion of all. The frozen foods processing industry, new to our province, will soon have two new units in production.

In this case, Mr. Speaker, I wish to emphasize the fact that if these two new plants will soon be in existence it is due to assistance from the federal treasury. Speaking about Camp Gagetown, he says:

Another favourable factor has been the progress made at Camp Gagetown by the Department of National Defence. This great project will provide further support to the economy of the province during 1957. The addition of a new community at Oromocto is proceeding satisfactorily with the co-operation of defence, provincial and local authorities.

What a contrast, Mr. Speaker, with the gloomy and depressed picture presented to the house only a few days ago by some opposition members. The hon. member for Digby-Annapolis-Kings has described the Gordon commission report as a doleful report. Let us hear what his premier, Premier Stanfield of Nova Scotia, has to say about it. I quote from an article appearing in the Ottawa *Journal* under date of January 19, 1957. The article is headed, "Stanfield Sees Value for N.S. in Gordon Report." Listen to this:

Premier Stanfield said yesterday it would be "unfortunate" if Nova Scotians "summarily dismissed" Gordon commission recommendations because of suggestions that under certain conditions maritimers be assisted to leave the area.

In a prepared statement outlining his reaction to commission findings, he said Nova Scotians do not consider "shipment of maritimers" westward is the answer, but some of the suggestions "may prove valuable and should be examined on their merits".

"The report calls the attention of the whole of Canada to our problems", he said. "Living standards are lower here than they are in the rest of Canada. Some Nova Scotians think this statement shows us in a poor light, but I think it is the simple truth. Most of us have been saying it for a long time."

He said the commission is to be commended for "seeking answers to our problems".

Statements have been made in the house with regard to power developments in New Brunswick. I feel that the people of New Brunswick and the people of Canada as a whole are entitled to have placed before them all the facts regarding federal and provincial exchange of views in connection with this power development so essential to New Brunswick's economy.

On September 28, 1950, the governments of Canada and the United States made a joint reference to the international joint commission under the boundary waters treaty of 1909. The purpose of the reference was (a) to determine whether the waters of the Saint John could be more beneficially conserved and regulated; (b) to recommend projects to this end; and (c) to indicate how various interests may be affected and what should be done.

Under date of April 6, 1953 the engineering board made an interim report and the commission itself transmitted this report to the governments on January 27, 1954, and the report was made public on October 28 of the same year. The board's report indicates that the early steps are required to increase the generating facilities in New Brunswick and Maine. It suggested a solution valid to 1961, namely, interconnection of existing power systems in the area, development of Beechwood and provision of about 600,000 acre-feet of storage in the Saint John river basin above Grand Falls.

As agreed between the Prime Minister (Mr. St. Laurent) and the premier of New Brunswick, on December 14 and 15, 1954, senior federal officials, in conjunction with the New Brunswick commissioners and their advisers, made an on the spot investigation of the proposed hydro developments on the Saint John river. Almost a year later, in October, 1955, I will admit that the premier of New Brunswick sought to ascertain whether federal financial assistance could be made available to New Brunswick for a ten year program of power development.

On January 26, 1956, as reported at page 558 of *Hansard*, I asked the Minister of Northern Affairs and Natural Resources (Mr. Lesage) the following question:

Has the government given consideration to the possibility of co-operating in the over-all power development of the Saint John river system in New Brunswick?

The minister, in answering my question, advised the house that ever since the early plans for further development of power on the upper Saint John river began about ten years ago the federal government had been in close touch with the situation. In concluding his remarks the minister stated that in letters to him and the Prime Minister under date of October 20, 1955, the premier of New Brunswick said, and I quote again from page

558 of *Hansard*, that "New Brunswick would like to submit a suitable memorandum in connection with the matter mentioned at an early date."

On November 1, 1955, the Minister of Northern Affairs and National Resources replied that "such a supplementary memorandum from you covering the specific matters you have in mind would be of great assistance to me." We all know, and this has been made public, that on January 30, 1956, Premier Flemming's proposals were received in Ottawa. They were alternative proposals suggesting that (a) the federal government advance funds for the hydro developments of the Saint John at the prevailing rate of interest of long term government of Canada bonds, the amount required being $89 million in 11 years plus $30 million to develop the Canadian share of the river, or that the federal government advance on the same terms $211 million for hydro and thermal developments in New Brunswick. Following receipt of this proposal the federal government asked the government of New Brunswick for certain data with regard to certain difficulties in ascertaining whether 600,000 acre feet of essential storage can be made available for the further development of Beechwood. It has been made very clear that this storage is essential for the development amounting to $119 million on the Saint John river as suggested in Premier Flemming's first proposal.

Most of us have listened to charge after charge against this government by members of the opposition to the effect that Ottawa has refused to endorse New Brunswick's note for Beechwood, that Ottawa has turned us down flat and a number of similar accusations to that effect.

These two alternative proposals, Mr. Speaker, make it clear that Premier Flemming is not asking the federal government to endorse New Brunswick's note for the construction of Beechwood. The premier of New Brunswick wants more than an endorsement for Beechwood, but he is asking the federal government for financial assistance for the total capital requirements of the New Brunswick Electric Power Commission amounting to $211 million.

Following receipt of these proposals, the Minister of Northern Affairs and National Resources, knowing that no agreements or arrangements had been made for storage with the province of Quebec and the state of Maine, and realizing that the developments suggested were not feasible without the assurance of a provision for 600,000 acre feet of water storage, wrote to Premier Flemming pointing out whether such storage could be provided on the Tobique river for further development of Beechwood as suggested in his proposal.

On January 17, last week, as reported at page 338 of *Hansard* the Minister of Northern Affairs and National Resources, in a question to the hon. member for Broadview (Mr. Hees), clarified the situation by saying this:

> Is the hon. member aware that we are still waiting for the data on the possible storage on the Tobique river that we were promised by the government of New Brunswick some months ago in order to be in a position to make a decision on the request of that government?

This, Mr. Speaker, is the situation. These are the facts which should be made known to the people of New Brunswick and to the people of Canada. The Prime Minister (Mr. St. Laurent), as reported at page 296 of *Hansard* of January 16, said this:

> I do most positively deny that there has ever been put forward the kind of scheme that could be implemented along the lines I have mentioned. There have been general suggestions, that they should get aid, and with those general suggestions we agree, but there has never been put forward any specific proposition that could be recommended to parliament as one that would really stimulate the economy of the Atlantic region in a fashion that would be beneficial to the whole economy of Canada.

As stated in Premier Flemming's New Year's message, there has been notable and continuous progress in the mining industry of the province during the past year. I have more confidence in the present premier of New Brunswick than have most of New Brunswick's opposition members, if we are to judge them by their statements regarding the miserable and depressed condition of our population. As long as New Brunswick's premier recognizes that another factor most favourable to our provincial economy has been the progress made at Camp Gagetown by the Department of National Defence, and as long as our premier admits with all frankness that this great project will provide further support to the economy of the province during 1957, unlike the opposition members I have enough confidence in the sincerity of our premier to believe that he will assist the growth of mining in New Brunswick to secure for our people a maximum of benefit.

I have enough confidence and faith in the future of New Brunswick to believe that the lack of electrical power will not be detrimental to our advancement and to the proper development of our natural resources. Federal authorities in co-operation with the provincial government will see to it that everything possible is done to derive the full benefits from the resources placed at our disposal by Divine Providence. But the federal government must have the information they have requested before they can

give further consideration to the proposals from the province of New Brunswick.

I have now reached the third point of my remarks, Mr. Speaker. During the third session of this parliament I chose to ignore the vicious and false accusations made against me in this house and on the radio by the hon. member for Restigouche-Madawaska (Mr. Van Horne). On January 14 the same hon. member, in a speech again noted for substituting abuse for argument and exaggeration for emphasis, saw fit to carry on with new accusations in language not worthy of a member of this parliament. Again I had decided to ignore those attacks and charges. The hon. member may accuse me of being a baby-sitter and an untrue representative of my people but, Mr. Speaker, I want him to know that I am not ashamed of having to baby-sit for my family of nine children. My sincere hope is that I can bring them up to be good citizens of Canada and that they at all times will be polite to their neighbours and never use the type of language and tactics so familiar to the hon. member for Restigouche-Madawaska.

As a representative of my people, I am not ashamed of my actions in this house and at home. My electors know that I have at heart the welfare and well-being of all my constituents. The charges made by the hon. member reflect not only on individual members but on all members of this house, irrespective of their party. I want to quote from an article entitled "Report from Parliament Hill—J. C. Van Horne, Member Parliament" which appeared in the Campbellton *Graphic* of January 17, 1957. I shall read part of it:

To begin with, I am vexed and put out to see what is going on in Ottawa this week. Here we are with thousands of people, not only in my riding but all over the country, out of work, and here we are with a crippling transportation strike on our hands, and what does the government do: it puts on cocktail parties and receptions. When will this government realize that the people did not put it in office to have fun and parties, but to render good government to the people. With our problems mounting day by day, with suffering and hardship and want the lot of far too many of our people, our government knocks off work—

Listen to this.

—to have fun. What a set-up! Apart from the Governor General's reception Tuesday night I have refused all other invitations in protest against a government which cares too little for the people and too much for frivolity.

An hon. Member: Who invited him.

Mr. Robichaud: I do not know whether any other members of this house have received such invitations to cocktail parties and receptions from this government. Maybe, Mr. Speaker, a special invitation was sent to the hon. member because the government knows of his close connection with places where cocktails are served. After all, his statement is that he refused all other invitations than that to the Governor General's reception on Tuesday night. From what we know in this house the reception was on Monday night, the day before the house opened.

Mr. Sinclair: He must have had his cocktails first.

Mr. Robichaud: Listen to this. The article farther on continues as follows:

This week I placed upon the table of the house my resolution to build the Campbellton-Cross Point bridge. I am determined to get a yes or no answer, and I hope to force this matter to a vote at the earliest date. I want to know, and I am sure all our people feel the same way, just where the government fits. The Conservative party fellows are behind the bridge 100 per cent, so are the Social Crediters and the C.C.F.ers, but the Liberals just don't want to get off the fence and say yes or no. And this is why they will do this year, as they did last year,—

Listen to this.

—everything possible to postpone a vote and the debate on this resolution.

Well, after having been in this house for over one session the hon. member does not even know that the Campbellton-Cross Point bridge is an interprovincial bridge and both the province of Quebec and the province of New Brunswick refused to co-operate when the federal government made the announcement that they were prepared to go ahead with their share of the bridge.

Farther on he deals with the C.P.R. strike and I should like to quote one part:

I wish I had time to explain fully the firemen's case in this article but you may be assured that in my opinion, as in the opinion of our party, the C.P.R. management is alone responsible for this strike, and they are the ones who should be blamed, and not the unions who have acted, and are acting in good faith all along.

At last we know the Tory policy on the C.P.R. strike. Now, we have it wide open and I hope that the leader of the party will make a declaration supporting what has been said by the hon. member for Restigouche-Madawaska.

I have here the Campbellton *Tribune* for January 16, 1957 which carries the heading, "M.P. Flays Government; Asks New Deal for New Brunswick." This article reads in part as follows:

Few people were in the house when he started his speech, but within minutes the Liberal members moved cautiously to their seats.

I know that quite a few members on the opposite side moved out because there were only nine Tory members in the house when he spoke, including the hon. member.

Then, this article states:

His speech comprised an overall new deal plan for the maritimes, and for justice and social

security and welfare plans for the people of Canada as a whole. Among the first to congratulate Mr. Van Horne was John Diefenbaker, the new leader, who praised the speech as "outstanding in every respect".

Well, Mr. Speaker, I challenge the Leader of the Opposition to make a statement in this house that he approved the speech made by the hon. member in every respect. I challenge the Leader of the Opposition to make a statement in this house to confirm what the member has said about the C.P.R. management.

Mr. Van Horne: Are you still against increasing family allowances?

Some hon. Members: Oh, sit down.

Mr. Van Horne: You are indeed the baby sitter of the Liberal party.

Mr. Deputy Speaker: Order. May I remind hon. members that the member who has the floor may not be interrupted without his consent.

Mr. Robichaud: I am sorry, but I could not hear the objections raised by the hon. member for Restigouche-Madawaska. If I had I would be glad to reply to them. I feel that, as representatives in this house, it is our duty to have an apology made by the hon. member for the charges which he has made and which are a reflection upon every member. If he does not see fit to make it on the floor of this house, at least he should write to these two newspapers and apologize for the misstatements.

Mr. Van Horne: I apologize for nothing.

Mr. Gordon Churchill (Winnipeg South Centre): I hope, Mr. Speaker, it will now be in order for me to direct the attention of the house to the speech from the throne which is the subject of the debate before us. I notice that this year special emphasis was placed on the subject of external affairs in the speech from the throne. Half of the subject matter of that speech is devoted to Canadian foreign relations. To underline the importance of the subject the Secretary of State for External Affairs (Mr. Pearson), the Minister of National Health and Welfare (Mr. Martin) and the parliamentary assistant to the Secretary of State for External Affairs (Mr. Cardin) have all participated in the debate and have dealt with matters concerning the department. No other cabinet ministers have taken part in the debate on the address in reply to the speech from the throne. It is obvious therefore, that the government is paying particular attention to the subject of external affairs this year because of the critical world situation or because of the closeness of an election and the great dissatisfaction in Canada with the government's action at the time of the Suez crisis.

I think the latter is the correct explanation for this extraordinary state of affairs. I note also that the speech from the throne and the addresses of the two ministers whom I have mentioned have placed special emphasis on the commonwealth of nations. The speech from the throne uses this sentence, and I quote:

> My ministers remain convinced of the need to maintain the basic unity of the commonwealth . . .

This is indeed an unusual sentence. No such reference to the commonwealth appears in any speech from the throne from 1949 to the present time. Here and there in the preceding sessions casual reference was made to the commonwealth in those years in which commonwealth conferences were being held but this is the first occasion since 1949 on which the commonwealth has received special attention in the speech from the throne. Hon. members will note the phraseology.

> My ministers remain convinced of the need to maintain the basic unity of the commonwealth . . .

The sentence should read as follows: My ministers, and particularly the minister of external affairs, have suddenly discovered the British commonwealth of nations. Heretofore they have been only half conscious of its existence and have made little or no effort to maintain the basic unity of the commonwealth or even mention the subject. Now, in this year of 1957, the Secretary of State for External Affairs devoted a great portion of his speech on January 14 to the commonwealth. He sang its praises; he acknowledged its importance in the world. He considered that it is the first of four factors that influence Canada's foreign policy. He emphasized the necessity of strengthening the commonwealth. Of course, this gave him an opportunity of referring to the alleged break in the commonwealth that he keeps telling us almost occurred at the time of the Suez crisis. This has been one of the major propaganda efforts of the minister. He has placed himself in the position of the saviour of the commonwealth and has implied that, as a result of Canada's action at the United Nations in November under his direction, the Asian members of the commonwealth were retained within this great organization.

Although sufficient evidence has been produced from the statements of the Prime Ministers of Ceylon and India that they did not entertain any idea of withdrawing from the commonwealth, nevertheless the minister and some of his followers on the government side persist in proclaiming him as the man

who saved the commonwealth. I was interested in noting that the Minister of National Health and Welfare in the course of his speech, in which he also emphasized the value of the commonwealth, failed to pay any tribute to the Secretary of State for External Affairs. This was an unfortunate oversight because the Secretary of State for External Affairs in his speech expressed his gratitude to the Minister of National Health and Welfare for his activities in strengthening the commonwealth among the Asian members, during the course of his tour of the Far East. I judge from this that the Minister of National Health and Welfare found no evidence of the alleged disruption of the commonwealth which has so possessed the mind of the Secretary of State for External Affairs.

I note that the Minister of National Health and Welfare, in his discussions with our friends in the Far East, told them something about the history of Canada and its relations with the United States, and fell into the same error that the Minister of National Defence did last year, an inaccuracy with regard to our history. The Minister of National Health and Welfare told the people whom he met in the Far East that with respect to the United States—and these are his words—we have "side by side over 140 years lived in peace". Well, I think he is overlooking the fact that during the period from the war of 1812-14 to 1870 relations between Canada and the United States and between Great Britain and the United States were often very strained; that there was considerable difficulty in maintaining the peace; that armed forays were made into Canada by Fenian raiders; that the militia was called out on several occasions to resist them and that the last raid was made in 1870. During the course of those earlier years strenuous efforts were made by the Canadian government to retain in Canada formations of the British army to give us protection. For the benefit of the Minister of National Health and Welfare I shall read to him a small portion of a letter addressed by the Prime Minister of Canada in 1870 to the appropriate cabinet minister in England. Sir John A. Macdonald wrote as follows:

> The withdrawal of the troops from Canada is, I think with you, a most unwise and shortsighted proceeding. At this moment we are in daily expectation of a formidable Fenian invasion, unrepressed by the United States government, and connived at by their subordinate officials.

Therefore let us put the date for the peaceful relations between our country and our great neighbour to the south at 1870, which is not 140 years.

In his remarks the Secretary of State for External Affairs stated that it was necessary, because of recent events, to make a reassessment of the principles which have underlined our policy and the factors that influence them. He then went on to list the four principal factors of Canadian foreign policy and he placed them in this order: the commonwealth, the United Nations, NATO and the United States of America. He placed his greatest emphasis upon the United Nations and, strangely enough, I thought that his discussion of the United Nations was really the swan song of that organization. He mentioned the gap between responsible and irresponsible membership, the impossibility of compulsory enforcement of United Nations proposals, the growing tendency to force through the assembly impractical and unreasonable resolutions merely by voting power and the development of the group or bloc veto in the assembly which may result, as he said, in that body becoming as ineffective as the security council; and, finally, that the United Nations provides no substitute for the national policies of its members.

This leads me to wonder whether, with these doubts in his mind, the Secretary of State for External Affairs is wise in attempting to create the impression that Canada's foreign policy depends to such a great extent on the United Nations. If that body is no more effective than the minister has pointed out, it is indeed a slender reed on which Canada is leaning in the difficult task of attempting to provide national security and a stable and enduring peace throughout the world.

I think the time has come when we should examine the value of the United Nations as it is constituted at the present time. I think it is the height of folly to place so much dependence on an organization which in the last 10 years has failed to keep the peace, which is its main purpose, and which recently has been shown to be unable to enforce its will as expressed by resolutions of the assembly.

I think it is just nonsense to suggest that the cease-fire which was procured at the Suez canal was the result of resolutions passed by the United Nations. I think that that cease-fire and the withdrawal of the British and French forces were brought about chiefly by the pressure exerted upon Britain and France by the United States.

The United Nations has recently passed a resolution requiring the state of Israel to withdraw its armed forces from the areas formerly held by Egypt, the Gaza strip and the gulf of Aqaba. If the state of Israel does withdraw her forces from those areas it will be because of the economic sanctions applied to Israel by the United States. I draw the

attention of the house to an article appearing in the New York *Times* of January 20, which reads in part as follows:

> Israel was expecting from $25 million to $30 million in grants in aid from the United States this year. She was also planning a $75 million loan from the export-import bank. After the Sinai campaign grants in aid were stopped and there is no word yet that they will be resumed. There is also no commitment on the loan.

I just wonder whether that would have a greater effect on the state of Israel than a resolution passed by the United Nations.

We have recently heard a great deal about the effectiveness of the United Nations in marshalling public opinion. The parliamentary assistant to the Secretary of State for External Affairs spoke in the house on January 15 and expressed, I judge, the point of view of the department and of the minister. He said that he was impressed by the unprecedented power and strength of world opinion which was so forcibly expressed at the United Nations not so long ago. He then went on to say, as recorded at page 229 of *Hansard*:

> World opinion has become more than ever before an extremely important factor in the relationship of states, to which no state, no matter how powerful, can afford now to be indifferent.

If world opinion is as powerful a force as this, why was it so ineffective with regard to the disaster that befell the people in Hungary? What effect did world opinion have on Russia during that terrible crisis? The answer is absolutely none at all. If world opinion is such a powerful force, why has it been necessary during the last few years to establish such military alliances as the North Atlantic Treaty Organization and the Baghdad pact? If it is so powerful, why do we have to spend half of our annual budget for military defence? Why does the United States have to maintain the largest strategic bombing force in the world, with air bases on every continent? Why must we have a stockpile of atom and hydrogen bombs? Why must we spend millions in providing great radar lines in northern Canada? If world opinion is such a powerful force to maintain peace, why is it necessary periodically for the United States to enunciate such policies as containment and massive retaliation? Why is it necessary for the proclamation of the Eisenhower doctrine with regard to the Middle East? If world opinion, as expressed through the United Nations, is such a powerful force, as so many people are telling us, why are all these defensive preparations necessary, why not just another resolution of the United Nations? The answer, of course, is that the belief in the power of world opinion is merely a delusion. The United Nations, as constituted at the present time, can exert only moral suasion. Each nation is a sovereign body. No nation is bound by international law except on its own consent. There is no effective sanction, either military or economic, at the disposal of the United Nations to apply to members who fail to abide by decisions of that organization. Now being tried is an experiment in the use of a method more effective than a resolution made by the United Nations. This is being done by means of the emergency force which is operating on the boundary between Egypt and Israel.

A United Nations police force has been the subject of discussion in many circles for the last ten years. Of course when the minister for external affairs proposed such a force at the United Nations assembly in November it was hailed as a stroke of inventive genius. The Canadian propaganda machine which functions at the United Nations made the most of this opportunity by impressing upon Canadians by means of television, radio and newspaper articles that the Secretary of State for External Affairs was a statesman unparalleled in the history of the world. Disillusionment followed very closely after this momentous discovery, when it became evident that Colonel Nasser had the final word as to the nature of the force, its disposition and the length of its stay on Egyptian soil. Even now, when opinion is in favour of the United Nations police force occupying the Gaza strip and other disputed territories on the border of Israel, Egypt objects to this use of the emergency force.

The latest resolution passed by the United Nations and therefore, so we are led to believe, expressing the power of world opinion, simply insists that Israel withdraw entirely from the disputed area and that a return be made to the status quo. No permanent solution between Israel and her neighbours is in sight. Although this represents a very unpropitious beginning for a United Nations military force, the minister of external affairs is now advocating the provision by members of the United Nations of forces which would be available when the necessity arose to institute international police action. This is what he said on page 177 of *Hansard* of January 14:

> The kind of force we have in mind would be designed to meet situations calling for action, intermediate if you like, between the passing of resolutions and the fighting of a war, and which might incidentally have the effect of reducing the risks of the latter. It would not, however, as I see it, be expected to operate in an area where fighting was actually in progress; it would be preventive and restoratory rather than punitive or belligerent.

The minister is fond of adjectives, uses them skilfully and bemuses us by his use of them. I find it difficult to visualize forces

of this nature being used in the intermediate period between the passing of resolutions by the United Nations and the actual outbreak of war. If the United Nations police force, which is now in the mind of the minister, is no better equipped for offensive or defensive action than the present force now serving in the Middle East, I would think that any member of the United Nations which committed troops abroad under such circumstances would simply be giving hostages to fortune. Without effective support from air, armour and artillery, an infantry police force armed only with rifles, machine guns and mortars is not much more than an enlarged observer corps.

I would like to ask the minister in what area of the world he would see such an international police force stationed. If this is an effective way of dealing with threats to western democracy from Russia would he suggest that a United Nations police force be stationed in Germany, and that the United States and British divisions be recalled, along with the Canadian forces? If we believe all the propaganda to which we have been subjected during the last few months the NATO alliance is obviously unnecessary, and we should place our reliance upon the great power of public opinion expressed by resolutions supported by a majority vote in the United Nations assembly and assisted by a lightly armed infantry force on the borders between hostile states.

I suggest that to base Canada's foreign policy upon the United Nations as our main shield and our main defence against war is nothing short of folly. Until the United Nations has become a much more powerful body than it is at the present time; until the nations of the world are prepared to submit to the rule of law, and until the United Nations is able effectively to enforce its decisions, we are making a great mistake in placing too much reliance on this organization for the preservation of peace.

I submit that the minister must reappraise Canada's foreign policies and rearrange in his thinking the four factors on which he states our policy is based. I am of the opinion that the four factors should be arranged in this order: first, the commonwealth; second, NATO; third, the United States of America; and fourth, the United Nations. This, of course, means relying upon military alliances, the age-old method of protection for states which in themselves are not powerful enough to resist any foreign threat. Military alliances have not brought about lasting peace, but have served from time to time to postpone war and on the outbreak of conflict to provide collective security for the members of the alliance.

There is no immediate prospect of establishing permanent peace in the world. This will only be achieved when some sort of world government is established. No possibility of world government exists at the present time because of the lack of uniformity among the systems of government in the various nations of the world. Dictatorships, oligarchies and democracies can find no common basis for agreement. That leaves us with no alternative except the maintenance of military alliances among the democracies, with the hope perhaps of establishing closer political ties among those nations whose philosophies of life and whose systems of government are similar.

Therefore it is obvious that for the security of Canada—and that is the main function of the Department of External Affairs—our greatest reliance should be placed upon our membership in the British commonwealth, our association with the North Atlantic Treaty Organization and our close ties with our powerful neighbour to the south. Every effort should be made by Canada to strengthen the commonwealth and to strengthen the bond between the commonwealth and the United States.

Had this conception of Canada's foreign policy been uppermost in the mind of the minister of external affairs last November I doubt very much if he would have abstained from voting at the United Nations assembly. Abstaining from a vote is an important action in the United Nations assembly. One of the senior civil servants in the Department of External Affairs a few years ago explained the meaning of abstention in the following words:

> To abstain is not a neutral act with no policy implications, not a simple statement of lack of knowledge; it is a definite political act with definable political connotations.

The minister's abstention on the occasion of the vote in November was a definite political act which made a choice between making common cause with the commonwealth and becoming a satellite of the United States. I would direct your attention to a very interesting book entitled "Canada in World Affairs" by B. S. Keirstead, which examines Canada's external relations during the period 1951-53. He deals with the subject which I am now discussing, and on page 44 points out that with regard to Canadian interests abroad the first thing in which we are interested is stable and enduring peace with, as a corollary, security against attack, provision for security directed toward a strong bargaining position for the negotiation of a settlement.

Later, on pages 239 and 240, he deals with the subject of the commonwealth, and is not altogether sympathetic with the policies of

the Department of External Affairs which were pursued in those years and which, as far as I can gather, are being followed at the present time. There is a short quotation here which I think may be of interest. The writer says:

> The countries of the commonwealth have a unique organization. With different languages, religions, and national cultures, they share a common political tradition, a common set of moral and political values, and a common habit of mind in the face of political problems. This common habit of mind is one of moderation, of compromise, of negotiation, of give and take. While no common foreign policy is possible, if one means by that an agreed course of action on every issue, anything that might strengthen the presentation of the commonwealth habit of thought would surely be a contribution to world peace. If this is what is meant by closer commonwealth collaboration in foreign policy, and it is all that it is possible to mean, then it does make sense to ask if the extreme official caution in Canada and the sensitivity to anything that might even appear to make Canadian policy depend on London has been justified. After all, if the choice is between making common cause with London occasionally (and New Delhi, Canberra, Colombo, and others) and becoming a satellite of the United States, anyone who values, or even has valued, Canadian independence ought not to have difficulty in seeing where the danger lies.

Now, Mr. Speaker, I have suggested the order of the factors upon which I think Canada should place its reliance, dealing with the factors originally enunciated by the minister for external affairs, I should think now that he has seen the light, we would be in agreement concerning the commonwealth. After all, why should there ever have been any separation from the commonwealth on the part of Canada? Our roots have never been cut from the homelands from which the two great races of this country have sprung, and in those difficult periods of the twentieth century when vital decisions had to be made, in 1914 and 1939, there was no serious difference of opinion among the Canadian people as to what should be their decisions. We were not disturbed, or waiting to see what Washington would say with regard to what action we should take. Nor was it a question simply of saying "Ready, aye ready" as the minister tries to imply. It was because of our common background of thought and belief that we faced the problems that confronted the world in those two wars in the way we did, and were ready to defend the cause of freedom and democracy.

The second factor, Mr. Speaker, is our relation with NATO. It is a military alliance, but what is the alternative to a military alliance in so far as we are able to discover at this stage of world development? It is a strong military alliance in which we place our greatest hope. If we did not have the benefit of that alliance we would be in grave danger. I think, Mr. Speaker, that the minister of external affairs should place much more emphasis in this house on the subject of NATO than he does.

The propaganda machinery which is consistently telling us about the minister's speeches at the United Nations does not seem to operate at all with regard to NATO conferences, with the result that NATO is a relatively unknown quantity among Canadians. This is true to such an extent that in the last two years, when representatives of this House of Commons and of the other house have gone to a conference attended by representatives from all the other members of the NATO alliance, certain people have poked fun at the expedition and called it a junket and a joyride at the expense of the people of Canada.

On the contrary, that type of consultation and conference is, I think, essential. If the NATO alliance is to be maintained there must be understanding among the members of NATO and exchanges of opinion from time to time. I am one of those, Mr. Speaker, who willingly look forward to a broader basis for NATO, and I have spoken in this house with regard to the suggestion that an Atlantic alliance might be established as the next step forward in the development of relations among the nations, an alliance which would comprise those nations bordering on the Atlantic who have similar systems of government, a similar background and the capacity for joining together much more closely than in the past in order to make themselves secure in a very insecure world.

The third factor on which we must place our reliance is of course, Mr. Speaker, the United States of America; not in the position of a blind follower of the United States but as a partner in our own right, with the power to influence United States opinion. We have to be extremely careful at the present time about our relationship with the United States. We have been reading in the papers recently about the new policy announced there, and it is interesting to note that Mr. Dulles has been telling us what might happen in the event of trouble. The *Globe and Mail* of Saturday, January 19, reports what Mr. Dulles said before a Senate committee, and I quote his words:

> If we got into war we'd expect to get help from 42 nations with whom we have collective security agreements.

Then he went on to say with regard to consultation:

> The United States ought not to have its polices fixed by consultations and agreements with other nations.

Well, Mr. Speaker, much was said in November about the lack of consultation. Now we are informed by this great power that consultation is perhaps not necessary. What position is Canada in? We have United States troops living in our country; we have United States air bases on the soil of Canada. Are we immediately committed in the event the United States takes some action? The closest relationship with the United States is naturally essential to our safety; but, Mr. Speaker, it must be a relationship entered into with ourselves as a partner.

Mr. Speaker, I suggest that consideration should be given to these factors in the order in which I have presented them, and I think it would be wise for the House of Commons and the minister for external affairs to take a second look at the policy which was placed before us for consideration the other day. Where does the United Nations come in? I place it at the bottom of the list, not because I think it is completely ineffective; that is not so. The United Nations is an essential part of man's struggle toward securing peace and order in the world. It is at present ineffective, as we know, as an instrument for ensuring and maintaining peace but it has, nevertheless, to be maintained as an organization; indeed, it has to be strengthened in the light of recent events. The weakness of that body should surely be known to all, and it is because we recognize that weakness, I maintain, that we should not place our full reliance upon the United Nations alone.

We must regard these things in the proper order, the commonwealth, NATO, the United States of America, and after that we should play our full part in the United Nations in order to make it an effective force for the peace we would like to see in the world. But to establish it as the basis of our foreign policy would be, I think, to delude our people. We cannot expect to have peace in the world simply by way of resolutions passed at the United Nations. In this difficult twentieth century, in this period in which we are living in fear of a very destructive war, we must place our reliance upon our known friends, upon our known means of protecting ourselves. It is only as we do that and emphasize these aspects first that we can safely go on to deal with the United Nations and endeavour through that body to reach the solution that everybody in the world hopes for, with the exception perhaps of some of the communist countries.

I do not think there is any doubt in anybody's mind that the average man in the world wants peace. He does not want to be shot at or killed. He is not interested in the destruction of war. He wants peace. But how is it to be obtained? Let us not delude ourselves into thinking that it can be obtained by an organization whose only effective function at the present time is to determine by a majority vote what resolutions shall be passed at that assembly. The marshalling of public opinion that we hear so much about these days has not been an effective factor in maintaining peace. It is all to the good. We want public opinion marshalled. We want these things brought out into the open. Nations that are oppressed or suffering should be heard.

It is a good thing that in the United Nations all nations of the world there assembled can talk about the disaster that befell the Hungarian people. That shows to them and to all of us everywhere the evil in the world that is represented by communist Russia. But to base our foreign policy on the United Nations as our mainstay is, I think, wholly wrong. We must revise our thinking and start with these other factors in our minds. We must strengthen the commonwealth, strengthen NATO, strengthen the tie with the United States of America, and then from that point use our influence in the United Nations.

Mr. Knowles: Would the hon. member permit a question before he sits down?

Mr. Churchill: Certainly.

Mr. Knowles: Does the hon. member for Winnipeg South Centre feel that if Canada were to place the United Nations at the bottom of the list that that would be an effective way of making the United Nations a more effective instrument in the achievement of world peace?

Mr. Churchill: Perhaps I have used an inappropriate term in speaking of the bottom of the list. I should have said that every attention should be given to the United Nations. However, it is a question of emphasis; and in our anxiety to make the United Nations an effective force in the world we should not neglect our connection with the commonwealth, the effectiveness of the military NATO alliance and our close relation with the United States.

Mr. Martin: Would my hon. friend permit a question? Would he not agree that perhaps none, in any case certainly few others, have worked harder for the strength and the usefulness of the North Atlantic Treaty Organization than my colleague the Secretary of State for External Affairs?

Some hon. Members: Agreed.

Mr. Churchill: The Secretary of State for External Affairs may have worked to the

limit of his ability for NATO. I was not suggesting that he had not. I was suggesting that our propaganda machinery was emphasizing more the work of the Secretary of State for External Affairs and, on occasion, of the Minister of National Health and Welfare at the United Nations, and neglecting to give us information with regard to NATO.

Mr. Maurice Breton (Joliette-L'Assomption-Montcalm): Mr. Speaker, I wish to join hon. members of the house in congratulating the mover (Mr. Hanna) and the seconder (Mr. Robichaud) of the address in reply to the speech from the throne. I do not intend to be very long, because my conviction is that Liberal legislation is very good.

Such testimony from a Liberal member will not surprise anyone, but if I mention it I do so because of the obvious approval of the official opposition, the Progressive Conservative party. Indeed, I have read carefully the program of the Conservative party at its last convention, and I have found that as a whole it constitutes the best appraisement of Liberal legislation in this country. The biggest difference is that the Progressive Conservative party will need about $7 billion or $8 billion to realize their program, instead of $5 billion which is the present budget. One may hope that by 1965 or before the Liberal party will be able to fulfil such an ideal social program.

As there is nothing very controversial in present politics, I should like to say a few words on a subject that should appeal to all members of the house without regard to party lines. I refer to the project of simultaneous translation of speeches in the House of Commons in both official languages of this country. I am sure of finding a sympathetic reception for such a proposal which will please greatly nearly one-third of the members of the house and as many as 5 million people of French descent in this country. We all know that at the United Nations and in many private organizations simultaneous translation is widely used. On May 22, 1956, the Junior Chamber of Commerce of Canada, embracing almost 25,000 members, presented a brief to the Speaker of this house recommending such a system for the House of Commons.

May I add that on the east side of the Ottawa river 4 million people speak French, and the great majority of them are unable to follow the debates of the house when they come here to visit us. Two years ago, Mr. Speaker, I received in Ottawa 200 farmers and their wives from my constituency, and I was sorry that they were unable to follow the debates from their seats in the galleries. My conviction is that the most important way to promote national unity is to permit a good understanding of the other language. The United Nations organization would have been impossible without simultaneous translation, and all French Canadians going to New York to attend the United Nations meetings come back with the idea that such a system should be in use in the House of Commons.

We should admit that the present system of acoustics is far from being perfect. It is maintained at great cost but it could be replaced with better results so far as hearing is concerned by one system of individual earphones. These earphones could be utilized for both acoustics and simultaneous translation purposes. Here are a few figures on the cost of the present sound system in the chamber:

Original cost of installation	$33,529
Annual rental of equipment	7,500
Operation and maintenance yearly ..	20,000

The wiring was done by public works personnel, and the cost is not readily available. In the brief of the Canadian Junior Chamber of Commerce already mentioned I see that the cost of installation of a simultaneous translation system in the House of Commons is estimated at $6,272. This means that the installation and operating cost of such a system would be less than for the one we already have and it would give much better results and satisfaction to members in general as well as to the public.

I have in my hand some information about the cost of earphones for public seats at the United Nations. It is approximately $15 per seat. As there are 626 seats in the galleries of this chamber, the total cost for earphones for all the public seats would be $9,390. I might say, Mr. Speaker, that I know this parliament is very sensitive to the prerogatives and rights of parliament. I personally feel that parliament is right in defending those rights, because parliament is the means by which good democracy may function. But I think the first condition for a good parliament is that all speakers be understood in their own language when it is possible. I think it is not very good for a parliament that a third of the members speak for the ceilings, for the walls, or just for the press. I believe it should be the right of everyone to be understood in his own language and to hear and speak in his own language.

We feel here that when we speak French this house is not interested. I do not think I will be disagreeable to my English speaking colleagues when I say this. If the situation were reversed and they were in our position, with a third of this house speaking English and we, two-thirds, speaking only

French, I feel sure that the third you would represent would ask strongly for simultaneous translation.

One day I heard a minister say that the members from the province of Quebec did not seem much interested in the legislation of this country outside the province of Quebec. I admit that there seems to be some truth in that observation. However, I think one of the main reasons is the fact that 75 members are obliged to follow the speeches in another language. As we live in a democracy, under a democratic system in which we believe, and which we want to defend, with a parliament that we want to protect, I believe we should have a system that permits everybody to hear and to speak in his own language and not be obliged to speak just for the walls, for the ceilings or for the press. I think we have a right to have that opportunity. When I say that I assure you that it is not from a nationalistic point of view; it is simply on the basis of a democratic system which we want to preserve and which we cherish.

This year I intend to present a resolution on this matter. If I speak on this question in the debate on the speech from the throne it is simply because I want to direct the minds of hon. members to this question which, for us, is extremely important. I have heard the comments made by French speaking members of this house. If you want to be fair to this important minority, I think something should be done. Actually 25 or 30 years after the invention of this system of sound reproduction and simultaneous translation which was used at the first United Nations meetings, I think it is time something should be done in this house. I was told that the actual system of sound reproduction could be installed at small cost, and could be so organized that it would provide simultaneous translation.

On the day I come back with a resolution on simultaneous translation in this house I hope I shall receive approval and sympathy from all sides of this house. Starting from the principle that varied cultures constitute a national enrichment, I think there is no better place than the House of Commons to demonstrate the value of such a principle.

Mr. H. A. Bryson (Humboldt-Melfort): Mr. Speaker, as this debate progresses it becomes increasingly more difficult to discuss a problem that has not already had some degree of consideration. But because I come from a part of the country which is almost solely dependent on agriculture, and also because I am interested in and concerned about the general agricultural picture in this country, I feel that at this time I have no alternative but to take this opportunity to bring before this house and this government once again, as I have attempted to do on previous occasions, the serious situation and the unfortunate position in which Canadian agriculture and in particular western agriculture finds itself at the moment, even at the risk of repeating many of the arguments that have already been made.

Certainly since I have been in this house, Mr. Speaker, and for many years prior to my coming here, innumerable speeches have been made by members of this party and others not only in pointing out to the government the serious deterioration that is steadily taking place in this unfortunate industry, but repeatedly warning this government of the inevitable and serious consequences that will result unless the government accepts its share of the responsibility for bringing about a solution of this extremely distressing problem. As a matter of fact, agricultural producers in the part of the country from which I come are suspicious that, because of the inaction on the part of the government to implement an agricultural policy, this government has in effect abandoned agriculture, that they have written it off as being something that is unnecessary in so far as the economic welfare of this country is concerned.

I say that in all seriousness. We have the refusal of the Minister of Agriculture and the Minister of Trade and Commerce to attend meetings of western farm organizations called especially to discuss current agricultural problems, after special requests had been made of these two responsible members of the government to attend. The fact that they refused to attend and, as a matter of fact, on one occasion refused to allow any other responsible member of this government to attend and speak on behalf of Liberal agricultural policies in this country, only strengthens and adds to that suspicion. I suggest that the government has some responsibility in respect to the over-all agriculture policy of this country, and I am going to say quite frankly that the farmers are not blameless. In all fairness I must say that the farmers themselves also have some responsibility for trying to bring about a solution of their own problems.

I want to say to this house, and to this government in particular, that we must bear this point in mind. Farmers are unable to discharge their responsibilities outside of the framework of a comprehensive and realistic federal agriculture policy. I think the time is long overdue for the government to take a realistic view of this whole situation. They have to get down and grapple with this situation. The time is overdue when they can

pass the buck, as they have done over the past number of years. The time is past when they are able to say to the farmer that the reason he is not getting his fair share of the national income is that he has failed to accept his responsibility for the situation in which he finds himself today.

I hope, before I am finished, to be able to shed a little light on this subject and discredit a few of the fallacious arguments this government has been able to sell to Canadian agriculture. In spite of the government's pronouncements to the contrary; in spite of the very optimistic and irresponsible speeches that have been made throughout the country, especially in western Canada, by the Minister of Agriculture, to the effect that agriculture is not experiencing any distress, agriculture is declining at an alarming rate.

It is not my intention on this occasion to repeat all the arguments proving that contention, but I should like to draw the attention of the government to a statement made on January 2 last by Mr. Jack Wesson, president of the Saskatchewan wheat pool, and a man whom I am sure has the confidence not only of everyone in this house but of everyone connected with western agriculture. He said the farmer had reached the point, because of the so-called cost-price squeeze, where he is placed in an impossible position. Then again I should like to quote very briefly from a publication of the Searle Grain Company, a publication which by no stretch of the imagination could be considered a friend of the farmer. They had this to say in an issue of last fall, at a time when they were talking about the farmers' position regarding the disparity between his cost of production and the price which he receives for the products he markets:

> . . . it now costs the prairie farmer $2.31.3 to buy what one dollar would buy in 1935-39. This means, therefore, that the $1.40 initial wheat payment is worth only 60.5 cents in 1935-39 value of money, basis No. 1 Northern Fort William, or at the average country elevator point it is worth approximately 52½ cents a bushel.

I am not going to belabour the house with more statistics, but I should like to produce one more bit of significant evidence in regard to the position of agriculture in the west. It is a statement of tax accounts in a larger school unit in the constituency which I have the honour to represent. I can say without boasting that I represent possibly one of the best agricultural areas in western Canada in so far as agricultural revenue is concerned. I feel it is a deplorable state of affairs that out of the total tax levy in that school unit, amounting to some $368,000, some $246,000 was still outstanding as of December 31.

Here again we have a clear indication of the economic stress that is being imposed on agriculture producers in that area because of the shortcomings of federal agricultural policy. What I have quoted is indeed significant, because it is a well known fact that farmers will pay their taxes if at all possible since they know they cannot put off indefinitely the day of retribution if these taxes are not paid.

Yet rather than recognize the seriousness of the situation by facing the fact that the Canadian economy is composed of one large unit, and all phases must be geared to the general welfare and prosperity of the whole economy, the best the government can do is advocate a do nothing policy. They carelessly disregard the distress, both economic and social, that results from such an attitude. The best they can do is say if the farmer cannot make a go of it on the farm, let him quit and move to town. It seems to me the best that could be said for the present agricultural policy of this government is that it is a series of unintelligent ad hoc pieces of mumbo-jumbo designed to avert, from week to week, chaos in the agriculture industry. In other words, they believe in the survival of the fittest to the extent that they would sacrifice the farmer, and possibly more important they would sacrifice the family farm, to a system of centrally-owned corporate farms. It is a rather cold and heartless approach, because as I said a moment ago it disregards completely not only the economic implications but, equally important, the social and moral implications of the matter.

Rather than attempt to get at the root of the problem; rather than attempt to take some responsibility for the situation, they simply say that the farmer is unable to maintain his position because of several very obvious reasons. I think, by and large the farmers are getting sick and tired of being told by this government that the reason they cannot make good on the land is that they are inefficient; that they must operate a more economic unit, that they must diversify their agricultural operations. Then, when these arguments have been exhausted, the farmer is told he is unable to maintain his position in the industry because labour is asking for too much money, and the wages which labour is receiving in those industries on which the farmer depends for his production needs are driving up the costs of production beyond all reasonable levels.

Then, Mr. Speaker, in order to clinch the argument once and for all, in the face of the clamour from agriculture for a system of parity prices that would give agriculture a parity income with other groups in this country, the government then says that people

would never agree because a higher support price, or a parity price, would only victimize the consumer; and so the government does nothing.

I think we should take a look at some of these fallacious arguments that are being put forward as the reasons the farmer finds himself in his present position. I should like to ask the house this question. Is it true that the farmer is inefficient? What do you mean by "efficiency"? In 1950 the agricultural industry of this country received 11 per cent of the national income. Since 1950, in the span of six short years, we in the agricultural industry have lost 150,000 farm operators. But in the last six years the farmers of Canada have been condemned for producing surpluses. Apparently, if you carry this argument to its logical conclusion, the more efficient agriculture becomes the poorer it becomes, because in 1956, in spite of the fact that agriculture had lost 150,000 workers, the farmers received only 6 per cent of the national income. Therefore I think we have to look farther than the question of efficiency to find the answer to the farmer's problem.

On the other hand, it is a question of what is meant by efficiency. There is not too much inefficiency in the manner and the methods by which farmers are carrying on their operations today, but I think efficiency means something else. I think an agricultural program can be more efficient if it is diversified. If we are to solve our problems in this country it is right and proper for farmers to diversify their operations, especially in western Canada. There is no question about it, Mr. Speaker; the people of this country and elsewhere eat things other than wheat. Therefore I am sure most farmers will agree that it would be advantageous to them if they did undertake a greater degree of diversification in their agricultural operations.

What is this government doing to further diversification and to help the farmer to diversify? Recently and over the years we in Saskatchewan have been clamouring for the building of the South Saskatchewan river dam. If this government really wants to see the farmers diversify their operations, if the government really thinks it is a desirable goal to be reached, I can think of nothing it could do that would assist that diversification in a very large sector of Saskatchewan than the building of the South Saskatchewan river dam, or giving assistance to the building of it.

We have the Minister of Agriculture again stating that the best he can do is to warn this government and the people of Saskatchewan that there is going to be a series of drought years. At the same time when there is something concrete this government could do, namely build the South Saskatchewan river dam that would irrigate a large area, nothing is done. In other words, apparently they would like to see the farmers suffer as they did back in the 1930's rather than assist them to combat those disastrous conditions. That is why we in this party have advocated a system of parity prices to enable the farmers to enter into a program of capital expenditure leading to diversification.

To diversify means that you must spend a great deal of money, not only in capital expansion but in costly operational changes. Therefore we are asking the government to implement a system of parity prices so that if diversification takes place necessitating a shift in the methods of farming, at least the cost of production will bear a fair relationship to the returns farmers get for the things they offer for sale, and in addition the farmer would be assured that his capital expenditure would not be in jeopardy. No other industry in this country would think of going into any kind of business unless it was assured that its capital investment was going to be protected.

Certainly we were all quite amazed at the submission of the Canadian Pacific Railway, this greatest of all advocates of free enterprise, which admitted publicly that there is no longer any place in our economy for risk. They said in effect that they honestly believed the taxpayers of Canada should underwrite the capital expenditure of that company. Not only should the people of this country guarantee the company a minimum return on their capital investment, but they also want the people of this country to guarantee a return of 4.71 per cent on their investment. Therefore we in the agricultural industry now feel more justified than ever in making the modest request that all we want is to be assured that we will get back only our costs of production.

May I say something about the argument put forward that the consumer would be victimized by a system of parity prices. Again I am going to quote Mr. Jack Wesson and other wheat pool officials, who told this country that if today the farmers of Canada gave their wheat to the millers of this country for nothing it would decrease the price of bread by only 3 cents a loaf. I do not think anybody can seriously contend that by giving the farmer a fair return on what he produces it would unduly victimize the consumer.

Possibly something should be said about the argument that high wages in industry is one of the reasons the farmers are being

deprived of a fair standard of living. I am not going to stand here and say that labour is blameless. I will be one of the first to admit that possibly labour has rather limited objectives because of misunderstandings in many instances and in other instances because of circumstances. I think it is shameful, Mr. Speaker, that this government should use the misunderstandings that exist between labour and the farmer as a wedge to drive these two segments of our population farther and farther apart, when there is no foundation for those tactics.

I would like to place on record a few figures which I have in connection with labour's part in pushing up the prices of farm machinery. In 1946 the value of farm machinery produced in Canada was $65 million. In that same year labour received for the production of that machinery $25 million. I admit that in 1955, nine or ten years later, the labour bill had jumped to $50 million from $25 million, but in that same year the production which came off the end of the assembly lines, for which labour received $50 million, had jumped from $65 million to $171 million. In other words, in 1946 labour received 40 per cent of the value of the machinery produced, while in 1955 it only received 29.4 per cent.

Let me put it this way. In 1946 one worker in a given time produced one combine, but in 1955 the same labourer in the same period of time was able to produce one and a half combines. In really simple terms it means that for making one combine in 1946 he received $1,456, and in 1955 for making one and a half combines he only received $1,740, when in reality, equated against what he received in 1946, he should have received $2,176.

There is another aspect to this question which I should like to bring to the attention of the house. Just recently we were told that farm machinery had gone up in price because steel had gone up $5 a ton. I have made a few calculations as to how many tons of steel are in an ordinary combine. There are about three or three and a half tons of steel. You do not have to be much of a mathematician to multiply three by five; it comes to $15. When a farmer buys the machine after the increase of $5 a ton for steel he pays for it at a rate of increase of 7 per cent. If you calculate 7 per cent of $6,000, which is the price of the combine, it does not come to $15; it comes to $420. Let no one say that the wage earner is responsible for the distress in which we find the agricultural industry today.

Well, then, what is the trouble? Certainly it is not because we are not selling wheat, because over and over again in the last year the Minister of Trade and Commerce informed everybody in this country that we are selling more wheat than we have ever sold in recent years. Therefore the farmer cannot place the blame for his position on the fact that we are not selling grain. I will have to agree that we are selling more grain. As a matter of fact last year we sold 85 million bushels more wheat than we did in any of the last 35 years, with the exception of five years.

No; that is not the problem which is causing the farmer such distress. Then we must ask ourselves what is the problem. The problem seems to be this, that there is a wide disparity between the farmer's cost of production on the one hand and the price he receives for what he produces on the other. This is what is commonly known as the cost-price squeeze. There is no other answer.

I think I have pointed out, in quoting the story about the combine, one of the reasons for this cost-price squeeze. The latest statistics available show that the 25 companies on whom farmers depend for their production needs have had their profits increased in the last seven years by over 400 per cent. Profits go up and up and the farmer's income goes down and down. That is why we have asked for parity prices. I was rather amazed, as were also a great many people in my part of the country, to read the account of the speech made by the Minister of Agriculture just before Christmas at the Liberal convention in the city of Regina. He said at that convention, if you mean by parity a fair relationship between production costs and what you receive for the products you grow, then we already have it. He started in to compute his kind of parity on the basis of 65 per cent to 85 per cent.

I wonder what the Minister of Agriculture is trying to tell the farmers. Is he trying to tell them that they are not deserving of 100 per cent parity? He is in effect saying that they are second-class citizens; that they do not deserve anything better than 65 per cent of justice. I would not be very much surprised if before long we in Saskatchewan or in western Canada find ourselves walking into a restaurant and being told to go to the back, where we will find a sign "Authorized by the Minister of Agriculture" and stating "This room reserved for farmers, who are to receive just 65 per cent of what everybody else is served out in front." I expect that some day the minister will be advocating that they put a car on the back of the train with another sign saying "For farmers only; 65 per cent service."

An hon. Member: Oh, oh.

Mr. Bryson: I should like to tell the hon. member who is interjecting that those are the kind of statements that prompted a great

many people to walk out of the convention of the Liberal party in the city of Regina in absolute disgust at what the minister had told them.

I am glad there is one responsible member of the government who seems to take a different view of this question of agriculture. I hold in my hand a statement made by none other than the parliamentary assistant to the Minister of Agriculture (Mr. McCubbin), speaking to a farmers' union meeting in the province of Ontario last November 8. From the article it would appear that the farmers at that meeting had the parliamentary assistant on the griddle, because he admitted that while he had not voted for the parity price resolution presented in this house last year, if it ever was presented again he would vote for it. Then to make those farmers really feel good he volunteered the information that if anybody moved a motion to increase the premium on grade A hogs to $4 he would support that as well. I would suggest to the Prime Minister that he should immediately replace the Minister of Agriculture by handing over that portfolio to the parliamentary assistant.

For a few moments I should like to direct the attention of this house to another conspiracy this government is carrying on against the western farmer. I refer of course to the increase in the interest rates that we find occurring all across the country. In the handling of grain and the marketing of grain the elevator companies are obliged to borrow tremendous sums of money. Now, because of the increase in interest rates, it is going to cost many more millions of dollars in handling charges than it did last year. Those handling charges are going to be paid by the wheat board and, in turn, they will be handed back to the farmer to pay; there is no one else to whom they can be passed.

I cannot understand, Mr. Speaker, how the Minister of Finance can believe that raising the interest charges on money borrowed for the production of new wealth in this country necessarily lends itself to inflation. The other day the hon. member for Qu'Appelle (Mr. Mang) was very anxious to inform this house about all the things the government had done for farmers, and he mentioned in particular the large amount of money the government had paid on behalf of the farmers by way of storage charges. But he did not tell this house that though they paid the farmers several million dollars in lieu of storage charges, they immediately increased interest rates and took most of the money away from them.

Mr. Speaker, I had intended to say something about box car allocation. because that issue has become so confused of late that no one really knows what is the situation, but I am going to leave that subject until another occasion. In conclusion I would just like to say this. It is going to take more than dry weather to solve the farmers' problems, and the quicker the government gets that kind of thinking out of its head the better. I implore this government to immediately accept its duties and responsibilities toward agriculture in this country, and I can give the assurance that if that is done it will have the wholehearted support of every farmer in Canada.

Mr. Harris: I think I understood the hon. member to say that having granted a subsidy —around $33 million, I believe it was—for the storage of grain at a certain time of the year the government "turned round and took it away". Would the hon. member please tell me in what manner we did that?

Mr. Bryson: Mr. Speaker, I was making reference to the raising of the interest rates.

Mr. Argue: It costs the wheat board more money to finance the crop.

Mr. Harris: What rates are raised to the western farmer?

Mr. Bryson: The interest rates are raised, which means that the grain handling companies in western Canada have to pay more in interest on the money they have to borrow to handle and market farmers' grain.

Mr. Argue: And the farmer gets less per bushel for his wheat.

Mr. Harris: When was that raise effective?

Mr. Argue: During this crop season.

Mr. Knowles: You are doing it all the time.

Mr. Speaker: Order.

Mr. H. B. McCulloch (Pictou): Mr. Speaker, the town of Westville, in Pictou county, Nova Scotia, was incorporated in 1894. It has a population of 4,300 as shown in the last census. Since its founding by miners of Scottish and Irish descent who were the forefathers of its present people the town was built and developed, and is solely dependent on the operation of its mines to maintain and stabilize its economy.

The miners of Westville have long been noted for many sterling qualities, the main one being that throughout the years Westville mines have consistently operated without strikes or tie-ups. The highest production was maintained consistent with operating conditions, and labour relations between management and the men was always of the highest order. These desirable features do not just happen, and the very valid reason

for them is the stability of the men, the thriftiness of their families, pride in the ownership of their own homes and active participation in church and community life in general, all of which qualities have been handed down to them from past generations. It is a known fact that the percentage of miners who own their homes in the town of Westville exceeds 80 per cent, which is probably double or more than that of any other mining town in eastern Canada.

Today, with the mines closed except for minor operations of removing pillars from existing slopes, these people who saved their money and built their own homes, primarily without government assistance of any kind, now find their town bankrupt because they have no work and they are unable to pay their taxes. They are faced with the closing of their schools, which will result in uneducated children, the deterioration of their water, impaired sanitary facilities and other services, and the loss of their homes and churches.

The town of Westville has underneath its limits a proven quantity of at least eight million tons of the best coal in Pictou county, if not in the province of Nova Scotia. Unfortunately, to mine this deposit economically requires an estimated expenditure of approximately $2,500,000. If such an expenditure were made, not only would a highly mechanized and modern mine be available if required for a national emergency, but also the Canadian citizens of Westville could look forward to the future feeling secure that they could maintain their homes and town.

In view of world conditions today it is felt that development of this mine is necessary to help guarantee the full use of our production facilities should a major war break out. This in itself would warrant government action now. In addition, it is a known fact that two other Pictou county mines, now active in a small way, will be depleted and closed within the next three years. A new mine development would absorb these men when their present jobs are closed out.

It is presently contemplated to double the size of the existing power plant at Trenton and, in fact, materials have been ordered for this purpose. When this installation is completed its daily coal requirements will exceed the entire output of the only remaining mine in the county which can carry on operations for an indefinite period. This alone would warrant a new development now to ensure our other plants of continued operations.

On behalf of the people of Westville I urge the government of Nova Scotia to assist in the opening of a new mine in that town. I feel that the government of Canada should be prepared to assist, too, if so requested by the operating company and the government of Nova Scotia. Money made available for this purpose would not be a gift or donation; it would be a sound investment in the good people of Westville for the benefit of all Canada.

Furthermore, my request is substantiated by the Gordon commission report, which states that only modern mechanized mines can hope to remain in operation, and that government assistance to maritime industry is most essential. In view of these facts, and the bankrupt position of the town of Westville today, I urge that immediate action be taken to assure these people that their present position is of a temporary nature, and that the governments of Nova Scotia and of Canada are prepared to lend temporary aid as I have just suggested.

Mr. John B. Hamilton (York West): Mr. Speaker, the speech from the throne is the product of a lazy, complacent, smug government. The speech from the throne is the product of a man convinced of the effectiveness of the Uncle Louis legend, so convinced that the old black magic spell can be weaved over the electors again in June of 1957 that he can treat the house and the people of the country with contempt. Not a single major problem has been offensively attacked in the speech from the throne. It is quite apparent, Mr. Speaker, that it is the intention of the government, if at all possible, to ensure that this is the quietest session on record, so that when they dip into their magic bag and bring forth the biggest election bribe in history there will be nothing to detract from the screaming headlines from coast to coast.

What are the problems that face us today? What are the problems they ignore in the hope that they will not have to answer? First, at home a large group comprising our elder citizens, the veterans and the blind, all dependent upon fixed incomes, are facing an ever-increasing cost of living. Second, the municipalities are placed in a taxation straitjacket and find themselves squeezed between the demands for services of an ever-increasing population and an airtight tax formula devised by the government in order to ensure centralization of power here in Ottawa. Third, there is the tremendous threat from without to be faced by a Canadian government tied to the apron strings of a floundering giant in Washington.

What does the government offer in the speech from the throne? To the old age pensioners, to the veterans, to the blind, they offer arts and culture. To the municipalities they offer a few measly dollars in the form

of taxation on government buildings across the country. To the cause of world peace they offer a phony kind of conviction of the need to maintain the basic unity of the commonwealth, and their sympathy for the poor Hungarians.

Are these the answers of a government seized with the vision of the next 25 years set out for us in the Gordon report? I am afraid not, Mr. Speaker; and I am sure the people of Canada will give the answer to the ignoring of these salient facts of life during this year. Here was a golden opportunity to take care of great and growing needs without sacrificing a campaign against inflation.

Everyone knows that the $40 a month paid to an old age pensioner has a purchasing power of about $25 today. These people are in real need. Here is an opportunity to put the plan on a sound actuarial basis. Up to the moment we have taken increasing amounts from the general fund in addition to the percentage levy against personal income and corporation income. Here is a chance to fix an amount which will finally take care of this plan for the future, a chance to fix a percentage without taking any greater amount from the individual taxpayer's pocket.

Yet to date the government has failed to recognize the dire need of these people. If there is a real and inherent desire to help old age pensioners, the veterans and the blind, surely without waiting for this grand health plan about which we have been hearing since 1919, I believe, the government could institute at this time without financial assistance from the provinces a plan which would ensure that adequate medical and hospital care was available to those in receipt of old age, veterans and blind pensions. This would be a step which would prove sincerity on the part of the government with respect to its desire to implement protection for all.

The veterans have submitted a brief to the government which indicates that since 1925 the ratio of payment of pensions in disability cases as compared with wages has fallen behind at least 25 per cent. Surely this is also an indication of need. Their request for an increase of one-third would only place these people in the same position they were at the time they were granted the privileges they now have. Perhaps I should not have used the word "privileges"; perhaps I should have said the rights for which they so gallantly fought.

Then we come to the problem of the municipalities. Perhaps I might refer to page 6394 of *Hansard* of July 24, 1956, where I quoted from a brief prepared by the Canadian Federation of Mayors and Municipalities covering the period 1930 to 1951 which, at pages 31 and 32, has this to say:

> Between 1939 and 1951, federal government revenues per capita rose from $45.33 to $270.68. In the same interval, provincial government revenues per capita in Canada rose from $21.10 to $65.68, while municipal government revenues rose by a lesser amount from $28.07 to $45.49.

During the period from 1939 to 1951 the federal government has been able to increase its take on a per capita basis nine times, while the municipalities have only been able to increase their take by 50 per cent. The brief went on to say:

> Municipal governments, relying upon less flexible revenue sources than the federal and provincial governments, have become increasingly dependent on grants and subsidies of other governments; otherwise they will be unable to finance the local services and responsibilities traditionally falling within their jurisdiction.

There seems to be a complete lack of understanding by the government of the problems facing the municipalities. There is a great deal of publicity about the wonderful job the government has been doing in bringing people to Canada, but there has been a complete failure to realize that for each person arriving here government on the lower level must immediately provide all the services and facilities required for streets, water, sewers and education. Yet the revenue agency which dips its hand in the pocket of the newcomer when he receives his first pay cheque is the federal treasury.

I would remind hon. members opposite that Mr. Frost of Ontario has pointed out very strongly that the revenue sources of this government could not exist without millions and millions of dollars being spent in development costs within his province. It seems to me, Mr. Speaker, that in this case as well if it is intended to indicate sincerity in connection with this problem, there are avenues of approach still open for this government.

We hear a great deal about education. When we talk about it we are told that we must be careful about what we say because of course that is a provincial matter, and that if we are going to deal with it we must set up some type of council in order to namby-pamby over the matter or we must see that the money is placed in trust somewhere where it will be available at a proper time for some provincial authority to take. I might say, Mr. Speaker, that if that is not bribery of the electors of a province, I have never seen it. But if there is true sincerity about the question of education, there is really no great problem, Mr. Speaker.

If this government is prepared to sit around the table with the provincial authorities and see that the tax base is adjusted

so that additional amounts will be placed in the hands of provincial governments, then I say we can trust Mr. Frost to see that the schools of Ontario get the money. If they would like to add a little percentage abatement to their income tax plan for the province of Quebec, I am quite sure Mr. Duplessis will see that the schools get the money. This is again an indication that here is a government that must extract every last bit of favourable publicity out of every dollar, regardless of the consequence.

I might say that there must be other ways in which to assist the municipalities and still ensure that problems of provincial and federal jurisdiction are recognized. The problem they face is a demand for ever higher interest rates on their debentures in order to build facilities that are required for this increasing population. Yet I heard what was said by the Minister of Finance the other day. He answered a question by saying this: If the proposition is important enough I expect they will agree to pay the additional amount and get the money, but if they decide that it is not important enough I guess they will postpone it. Mr. Speaker, how do you postpone the building of necessary educational facilities? How do you postpone the necessary services that are required for houses from coast to coast for the hundreds of thousands of people who are coming to this country? What a facetious answer for the minister to give.

Mr. Speaker, it seems to me that if this government really wanted to do something it could do so. Maybe the Minister of Public Works might have some ideas to suggest. He is increasing the interest rate on C.M.H.C. loans and he thinks there is going to be a great deal more money available to get that nice little increase. We have seen the Minister of Finance by remote control affect interest rates from one end of the country to the other. I am wondering if those two ministers could not get together and suggest to the financial institutions—just suggest, you know; it has been an effective method so far—that perhaps they might balance their portfolios; that if they are going to get X dollars out of our guaranteed C.M.H.C. funds they might be obliged to advance X dollars at 4 per cent or 4½ per cent on the debentures backed by the people who constitute the backbone of the country and the municipalities.

It might only be a suggestion, but suggestions apparently have been taken in the past and they have worked out not too badly. It could work out just in the way the municipalities are trying to solve their own problems. When it comes time to build a new subdivision of homes they have had to say to the developers: We want the homes, but if you want the permits to build the homes you will be obliged to bring us X number of dollars of industrial building to our community. I think there are other methods this government could use if they really had the sincere purpose of solving this problem.

I wonder what we are going to do about the threat from without. I wonder what we are going to do about re-establishing—I think that was the word used—the commonwealth and all it has meant to this country. I am reminded that the Prime Minister went to a prime ministers' conference last year. When he was questioned in the house about what he thought about commonwealth prime ministers' conferences, as reported at page 7325 of *Hansard* of August 9, 1956, he said this:

> I have never felt that time was wasted. While there are no specific agreements reached I have always felt that the time was well spent and did serve to keep us as close as possible together.

I wonder how successful he feels he has been now that we have had the episode at Suez, Mr. Speaker. I wonder how well he understood the problems that were being created at the very time he was taking part in the conference. We have had here, Mr. Speaker, indications that the Secretary of State for External Affairs feels that his country has a great role to play in re-establishing this connection. But the other day when I asked the Prime Minister in the house whether he might consider taking the initiative in having a conference convened he said this:

> No, Mr. Speaker, the Prime Minister does not feel that this country should take the initiative to try to determine what should be the policy of the United Kingdom government.

That quotation is to be found at page 323 of *Hansard*. We are not asking that the Prime Minister take over the policy of the United Kingdom government. I am going to use again the term I used previously. If there is sincerity in this government, if there is a true desire to re-establish this relationship, then it is about time this country took the initiative. If we have grown up—and for the last 20 years we have been told that the whole evolution of commonwealth relations as far as we are concerned has been part of our growing up—it is time we called a conference. It is time we held one down in Quebec city. It is time we gave some indication that we are prepared to play a leading role in maintaining what was the greatest agency for the promotion of peace in the world.

I want to tell you, Mr. Speaker, that we over here still believe in it, notwithstanding

anything that has taken place in the last few months. I believe the vast majority of the people who support the party to your right, Mr. Speaker, believe in it too. I can only ask them, does their government believe in it, and has it practised it for the last 20 years?

No, Mr. Speaker; this speech from the throne has come in like the lamb and I am sure the whole plan is that the government, after the budget presentation, will go out like the lion. However, I believe we should give them fair warning that the people of this country have been bribed once too often before election day. This year there will be no effective overtime appeal; it will take more than that.

Mr. John Decore (Vegreville): May I join with other hon. members, Mr. Speaker, in congratulating the mover (Mr. Hanna) and seconder (Mr. Robichaud) of the address in reply to the speech from the throne. The way in which these two gentlemen acquitted themselves has brought credit not only to them and to this house but also to the constituencies which they represent.

I am very well acquainted with the mover, the hon. member for Edmonton-Strathcona, whose constituency is adjacent to that of mine and with whom I share the same office in this House of Commons. The other day someone said that he is one of the hardest working members in this house, and I wish to assure you that this is correct. I wish also to give him credit for having made an attempt to speak in the French language. It is difficult for some members from the west, who may not have the same opportunity as eastern members to learn the two languages, but we do hope that all the members of the house will endeavour to master French since it is one of the official languages. If we cannot do that we can hope that at least our children, who will one day represent Canada, will be able to do so.

I should like also to congratulate the new leader of the Progressive Conservative party. The responsibility which faces him is great. He has the responsibility not only of being the leader of Her Majesty's loyal opposition and criticizing the government, but also of offering alternatives. At the same time he is expected to revitalize his party. Although I am a Liberal, I wish him well in his task of building up the Conservative party in Canada, because I am one of those who believe in the two party system if democracy is to work.

With reference to these splinter groups, at least you can say that the C.C.F. party is socialist, has a certain program and endeavours to follow it. However, since the Winnipeg convention, at which time they chucked out the Regina manifesto, I do not know whether they are any longer necessary in Canada, because I feel they are getting closer to the Liberals. In any event, one thing you can say about the socialists is that they have a certain definite platform and they endeavour to follow it.

When it comes to the other splinter group, the Social Crediters, it is a different matter. They will do anything; they will twist and turn; they will rock and roll; they will offer $25; they will endeavour to muzzle the press if they can, and whenever it suits their convenience, to put something across. As I say, I do sincerely believe, and I am sure a lot of other members who belong to the same political party I do believe, that the best way in which democracy can work in Canada is through the two party system. It is for that reason I do, in all sincerity, wish the new leader of the Conservative party every success—not too much success—in building up a strong Conservative party in this country.

During the course of this debate there have been a considerable number of references to the desire for an increase in social security payments. Reference was made to the desirability of increasing old age pensions as well as pensions for the blind. I think we should recognize this because it is quite clear that the buying power of these payments, especially with reference to old age pensions, has decreased very considerably in recent years. An increased pension to our old-timers contributes to the support and self respect of these pioneers and at the same time gives relief to the younger Canadians who have elderly dependents. I realize we are being confronted with huge expenditures, especially in the field of national defence. We all realize that social security without national security would be meaningless, especially where freedom was affected, but I do hope the government will be able to see its way clear to granting some increase, especially for the blind and for our older citizens.

Now I should like to draw to the attention of this house, Mr. Speaker, what I consider to be an injustice to the province of Alberta from which I come. I am, of course, referring to freight rates. I have spoken about this matter before, I am doing so now, and I shall continue to do so as long as I am a member representing the people of Alberta. I feel that Alberta is being discriminated against by the railway companies. We in Alberta do appreciate, and I appreciate, the fact that the geography of our country is such that it raises difficult problems with

regard to rail transportation. Some of these problems are difficult to overcome, and it is not easy to eliminate the discrimination. However, I believe that with regard to freight rates, Alberta is a clear example of injustice.

Hon. members will recall that in 1951 a royal commission, after having studied the problem for some two years and after receiving a great deal of evidence with regard to the problems of transportation, issued a voluminous report. I believe it contains some 200,000 words. Certain recommendations were made. One of the main purposes in setting up this commission to study the problem of rail transportation was to endeavour to equalize freight rates across Canada. As I say there are problems, and will forever be problems, in such a vast country as ours, especially at this time when our population is relatively small. The commission endeavoured, however, to listen very carefully to the representations made on behalf of Saskatchewan and Alberta in particular. I think the house will appreciate the fact that because Alberta and Saskatchewan are so far removed from the markets, and we have not a self-sustaining population, if agriculture is to survive it is necessary that the cost of production be kept as low as possible.

One very important complaint that has been raised time and time again over the years by the province of Alberta in particular has been the cost of moving many classes of goods that are shipped from the east to our province. It costs less to transport goods from Toronto to Vancouver than it does to transport them from Toronto to Edmonton, though there are an additional 600 miles of very difficult terrain that the railways have to go over.

The reason the railways gave the special concessions or low rates was ostensibly to meet water transportation competition. However, the Turgeon royal commission, after having heard representations made by Alberta in this regard, recommended that parliament amend the Railway Act to provide that when the railways inaugurated low rates from eastern Canada to the west coast and from the west coast to eastern Canada to compete with water transportation, then the rates at intermediary points should not exceed the rate to the coast by more than one-third. In other words it was known as the one and one-third rule. It was felt that the one and one-third rule recommended by the Turgeon royal commission on transportation brought real relief from what we in Alberta felt was a long-suffered discrimination against our manufacturing and processing industries, as well as our distributors and consumers as a whole.

Although the finding of the Turgeon royal commission, that is the one and one-third rule, was incorporated into statute by this parliament, the railways were determined to prevent its operation, with the result that this rule was destined to be shortlived. There appears to be a conflict between the Railway Act containing the one and one-third provisions and the Transport Act, under which the rate-making system of agreed charges was established in 1938.

The railways took advantage of the situation and the practice of making competitive rates on transcontinental traffic, for example between Montreal and Vancouver, was abandoned in favour of the agreed charges, and once again Alberta and western Saskatchewan were restored to the long and short haul discrimination against which these areas fought for many years. In fact a new royal commission was set up known as the royal commission on agreed charges. The finding of this commission was to refuse to recommend the enactment of legislation which would make agreed charges subject to the one and one-third rule, and that of course is the situation today.

Let me bring out, Mr. Speaker, by quoting certain figures just to what extent we in Alberta are being discriminated against with regard to freight rates. If you were to take commodities such as plate or sheet steel and ship them to Vancouver from Hamilton the cost per hundredweight, provided you shipped 100,000 pounds, would be $1.10. The cost of the shipment from Hamilton to Calgary would be $2.46 per hundredweight, or more than twice as much. In other words it would be cheaper in this case to haul the plate or sheet from Hamilton to Vancouver and from Vancouver back to Calgary than to ship it direct from Hamilton to Calgary.

Let me give you another example of canned goods from southern Ontario. The cost per hundredweight to Vancouver is $1.80. The cost to Calgary is $2.30. The cost of shipping anti-freeze from Montreal to Vancouver is $2; the cost of shipping it from Montreal to Calgary is $2.70. The cost of shipping wire rope from Toronto or Montreal to Vancouver is $1.30 per hundredweight. The cost of shipping it from Toronto or Montreal to Calgary is $2.80, or more than twice as much. Do not forget that there are 600 miles between Calgary and Vancouver. The cost of shipping paints from Toronto or Montreal to Vancouver is $2.25. The cost of shipping them to Calgary from those points is $3.35.

Take margarine. The cost of shipping margarine from Toronto to Vancouver is $2.85 per hundredweight. The cost of shipping it from Toronto to Calgary is $3.77 per hundredweight. The cost of shipping cheese from southern Ontario to Vancouver is $2.90 per hundredweight. The cost of shipping it to Calgary is $3.50 per hundredweight. The cost of shipping corn oil and syrup from Port Credit to Vancouver is $1.90 per hundredweight. The cost of shipping it to Calgary is $3.56 per hundredweight. The cost of shipping steel piles from Sault Ste. Marie to Vancouver is $1.25 per hundredweight. The cost of shipping it to Calgary is $2.51 per hundredweight, more than double.

Will you call it six o'clock now, Mr. Speaker?

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Decore: Mr. Speaker, just before six o'clock I was endeavouring to point out to the house the great difference in freight rates from Quebec and Ontario to Vancouver as compared with the rates to Calgary and Edmonton. In many cases the freight rate on certain commodities is more than double between Edmonton or Calgary and Montreal as compared with the Montreal-Vancouver rate. We do not begrudge this advantage being given to Vancouver, but it is quite clear that agreed charges, to which I have made reference, are simply a new type of discrimination by the railway companies, especially against Alberta and western Canada. This affects the movement of materials, goods and manufactures, and it certainly has hampered the development of industry in that area and its competition with eastern Canada, more especially any effort it might make to obtain access to the large British Columbia market.

The fact is that these rates have tended to discourage a number of firms opening up new plants in that part of the west. As an example I can cite the case of a certain company in Vancouver manufacturing steel drums and tanks for the Alberta oil industry. This company bought a plant site in Edmonton on the strength of the reduction in the cost of steel plate brought about by the application of the one and one-third rule to which I made reference. However, the application of the agreed charge method of rate-making caused this project to be abandoned.

There has been a recent increase in freight rates, but this increase does not affect the agreed charges though it does affect Alberta and western Saskatchewan. Those parts of the country will have to bear the brunt of the new hoist in freight rates. As one observer has pointed out, agreed charges discriminate by wiping out competition, yet they were introduced to meet competition. It is felt that agreed charges should depend on actual and not potential competition. I submit that the cost of railway transportation should be such as to enable all parts of Canada to develop industrially. At the present time Alberta is being penalized, especially as far as the establishment of secondary industries is concerned.

The house will probably remember that the Turgeon commission made a recommendation, which was implemented by statute, that the railways be granted $7 million to reduce the cost of the long haul by way of the great lakes. This bridge subsidy now appears to be merely a lump payment to the railroads and has no effect upon Alberta and Saskatchewan. People will point to the Crowsnest pass rates and argue that those were to benefit the Alberta farmers. The Crowsnest pass rates are not affected by freight rate increases, but the whole purpose of those rates was to hold down the cost of transportation in order to help Canadian wheat compete in world markets. Those rates benefit the whole Canadian economy by their effect on the balance of trade, not just the grain farmer in western Canada.

Having said that in connection with freight rates and what I consider to be an injustice to the province of Alberta, I should like now to deal with another matter. There exists in Canada today certain abusive practices which I feel should be looked into, and I refer to the sending of parcels of food and clothing to people behind the iron curtain in the U.S.S.R. Hon. members will realize that after the second world war many people from behind the iron curtain entered Canada as political refugees, leaving behind them mothers, fathers, brothers, sisters or close friends. They were happy to come to this land of freedom and opportunity, and realizing the condition and plight of their relatives and friends behind the iron curtain in the U.S.S.R. they were anxious to give them some assistance by way of food and clothing.

During the last number of months certain so-called legal agencies have been established across Canada with the primary purpose of sending such parcels of food and clothing from Canada to the U.S.S.R. What I want to do is point out just what it costs to send these parcels to the Soviet union through

these so-called legal agencies. I have information that if merchandise to the value of $12 is sent from Canada the following costs are incurred:

Merchandise cost	$12.00
U.S.S.R. fee, 10 per cent	1.20
U.S.S.R. customs duty	7.40
U.S.S.R. inspection fee	1.51
U.S.S.R. invoice fee	.66
	$22.77
Fee 1 per cent	.23
Service charge	7.50
Fumigation	1.00
Parcel post	5.00
	$36.50
Guarantee fee	1.79
Notification fee	.18
Total	$38.47

The practice is to deduct the cost of the parcel in order to show that it is a gift of these agencies. On examining these figures we find that from this parcel the needy person will receive goods to the value of $12, the U.S.S.R. will receive $10.77, the agency in Canada will receive $12.70 and the post office will get $3, not $5 as charged.

I am one who takes exception to this type of benevolence. I am not opposed to the sending of these gifts to needy people behind the iron curtain, but I feel that in the first instance the U.S.S.R. should not charge the customs duties and other charges which they impose. If they do, why should these charges and duties be collected on Canadian soil? It is clear from the figures I have just quoted that the misery of the people in the Soviet union, brought about by communist policies, is being exploited by these so-called agencies in Canada, not only to fatten themselves but at the same time to finance the resources of the U.S.S.R.

I feel, Mr. Speaker, this is a matter the government should look into. As I pointed out, I am not opposed to the sending of these parcels to these unfortunate people in the U.S.S.R., but I am opposed to the Canadian people being exploited and, at the same time, directly assisting the government of the Soviet union.

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I feel very honoured to once again take the opportunity of speaking in this house on behalf of the people whom I represent. I like to feel, sir, that I speak for the common people who cannot be here to speak for themselves. Sir, whether I am correct or not I feel that this chamber has been shrouded by a cloud ever since last year, when the pipe-line debate was in progress. I feel that something has been done to democracy which it is going to take a lifetime to correct. I feel that this all-powerful party across the way has, in one fell swoop, done to democracy what the communists could never do to a free parliament; I think that is the sort of atmosphere which prevails is this house.

An hon. Member: Nonsense.

Mr. McCullough (Moose Mountain): I can only come to the conclusion, Mr. Speaker, that the Liberal party tried to do what Macbeth suggested when, according to Shakespeare, he said: "If it were done when 'tis done, then 'twere well it were done quickly." I feel that this Liberal party, Mr. Speaker, has caused an injury to parliament which it will take a lifetime to heal. I speak for myself, and I can only say this; that in parliament I have great respect for the rules and also for the privileges affecting hon. members of this house. I can only say, sir, that I want each and every privilege afforded me according to the rights and customary procedures of parliament. I want that, and nothing less.

Having said that I would like to turn to the remarks made by the hon. member for Vegreville (Mr. Decore) before the dinner hour. He was commenting on our declaration of principle as a C.C.F. party at the national C.C.F. convention in Winnipeg, and I need only say this. Neither he nor anyone else need worry about the C.C.F. party changing its policies in order to bring justice and equality into the political and economic life of the people of this country. We have not deviated from our first program early in the thirties. In this country we have a political democracy, but it was suspended in the pipe-line debate—

An hon. Member: By your party.

Mr. McCullough (Moose Mountain): —but not an economic democracy which is the right of free people. Whether or not it is going to be the privilege of the C.C.F. party to bring to the Canadian people an economic system under which they will share equally and fairly in the progress made in this country, I can assure the hon. member for Vegreville that rather than the Liberal party filling the need in Canada to give these things to the Canadian people, we have had a growing gap between the rich and the strong and the weak and the underprivileged in this country. The monopolists in this country today have taken away any kind of competition in sales and prices to the consumer.

Equally the little people, the farmers, white-collar workers and people in the street, the common people, are finding it more difficult to share in the prosperity of this country. The prosperity which has been talked about

is going to swell the profits of the big corporations. I say to the hon. member for Vegreville and to those in the Liberal party who think the C.C.F. has deviated from its program, that there will be in the membership of this party many dedicated men and women who will come to parliament in order to secure for the people of Canada what is their just due in this rich and prosperous country of ours.

I followed closely what the hon. member for Vegreville said in respect of freight rates, and he used very excellent arguments in respect of the load with which western residents, and farmers in particular, will be saddled by reason of the new rates allowed by the transport board. I wish to point out that this is another case of the cost of living rising higher and higher. Of course the common people, the wage earners and the farmers, do not share in the prosperity afforded to the big corporations of this country.

The Canadian consumer debt is increasing at an alarming rate. I have here a clipping from a recent newspaper headed "Consumer Debt in Canada Hits New Peak Level". The quotation reads:

> The amount of money owing by Canadian consumers for the things they bought on time rose to a record $2,395,000,000.

Surely, Mr. Speaker, it can make nobody in this country happy to learn that the common people have increasingly to go out and buy on credit in order to have a decent standard of living. It must be a heyday in these prosperous times—so-called by the Liberal party—for those people who charge enormous rates of interest in respect of goods bought by consumers on time.

Dr. Mutchmor, writing in an article I read the other day, said that it is a continual rat race by the common people of this country to keep pace with the increase in the cost of living. Yet at the same time many of the prices paid to the farmers and those who produce foodstuffs for our consumption bear no relation at all to what the consumer has to pay. I quote from the issue of the Toronto *Star* of January 7: "Farm Product Index Declines by 2·1 Per Cent". On the other hand net corporation profits—I do not want to list them; they can be found anywhere in the financial reports of these companies—have continued to increase. The *Gazette* of September 3, 1956, had this to say:

> Net earnings of Ford Motor Company of Canada Limited, after taxes, for the first half of this year showed an increase to 62 per cent over the comparable 1955 figure at an estimated $12,030,686, the company reveals in an interim report.

Thus, Mr. Speaker, there is in this country need for a political party such as the C.C.F. I do not think you can play on both sides of the game; either you fight for the common people in order that they may share in the country's prosperity by way of improved wages and better farm returns, or you give your support to these profiteering companies as the Liberal party has seen fit to do.

I want to point out that it is rumoured in the corridors of this chamber that the Liberals, generally speaking, want an early election. They feel this all-powerful government has the next election in the bag, and that may well be. Then we have the fact that the pockets of the government are filled with about half a billion dollars with which they can play Santa Claus to the people of the country. As far as I am concerned, Mr. Speaker, it only means that the government has seen fit to overtax many people and, furthermore, that little has been done to help the people who need help. I do not forget and I do not think the people of Canada forget that this government is largely responsible for the increased cost of living, and they have been aided and abetted by other parties in this house. They took off price controls early in the post-war years. Since that time we have seen the cost of living go up and up.

Nothing has been done to help our old age pensioners during this period of inflation. So today I say I will join with others in the house if the government see fit to increase old age pensions so these older people can live in decency and security. I believe the old age pension should be increased to $65 and be payable at the age of 65, so these people may live in some kind of decency in the face of the present cost of living.

I hope, too, Mr. Speaker, that the Liberal government, even if it is a deathbed repentance before the next general election, will see fit to increase blind pensions. There came to my desk today a brief from the blind pensioners' association asking that something be done for them, and I feel the government should do something in that regard.

I also want to say something with respect to the veterans of the first and second great wars. As I understand it, under section 227 of the Pension Act regulations there is provision that the pension commission should rule in favour of the veteran, and that the onus should not be on him to prove his disability in order to get a pension. Therefore I hope the government, now that it has all this money available, will see to it that the veterans of our first and second great wars are given the pensions that are their just due. In this respect it seems to me that the government has been pretty niggardly in not

giving such pensions when there is real justification for them. In my opinion the fact that veterans have gone into the services, have been examined by five or six medical specialists and classed as A-1, have then come out of the services with a P-5 category and have had no entitlement to pension is a disgrace to this country. Many of these veterans can do nothing else than look up their case histories. Therefore I hope the government will give due consideration to my words in this regard.

I want to turn now to agriculture, the segment of our economy with which I am most familiar and which, of course, is predominant in my constituency. The farmers of western Canada and, indeed, throughout Canada are in a cost-price squeeze today. The freight rates mentioned by the hon. member for Vegreville apply to the farmers in my constituency, and indeed to all western people. The farmers have to pay for machinery manufactured in eastern Canada and then shipped to the western provinces. They have to pay for everything they need to produce what they sell, and they are caught both ways.

When the board of transport commissioners allowed the first interim increase in freight rates it was to me a blow to western agriculture. They then allowed on top of that a subsequent 4 per cent increase, and I understand that the total increase of 15 per cent requested is probably going to be granted. But when one looks at the record of the Canadian Pacific Railway I cannot see how the government can justify the pyramiding of freight rates, particularly when the load is mainly on western Canada.

I have here Canadian Pacific Railway figures taken from their annual report. They show that in the year 1939 the railway had a debt of $228 million and a reserve of $39 million. In 1950 it had a debt of $86 million and a reserve of $525 million, in 1953 a debt of $75 million and a reserve of $576,657,000, in 1954 a debt of $72 million and a reserve of $608,789,000. By 1955 it had reduced its debt from a high of $228 million in 1939 to $89,795,283, and had a reserve of $640,061,081. On the basis of these figures I cannot see how the board of transport commissioners was justified in placing additional freight costs on the western farmer when he is already overburdened with such costs.

I notice that some of the cabinet ministers have expressed different viewpoints with respect to agriculture. Those of us in the house who try to fight for a fair deal for agriculture through the establishment of parity prices for the main farm commodities cannot understand why there should be such a diversity of opinion on the part of government officials. However, I am led to believe that there is perhaps a reason for this situation. It may well be that members of the government are trying to confuse the minds of the farmers with respect to the fight for parity. I have here a report that appeared in the *Leader-Post* of November 5, 1956. It is headed, "Gardiner Says Parity Received", and it quotes him as saying:

> We ought to have parity, you say. If you mean by that costs of production in relation to returns, we have it now.

That was on November 5, 1956. On December 4, 1956, an article appeared in the *Globe and Mail* headed, "Canada Shuns Farm Price Parity, Gardiner Reveals to Conference." Then I have a report that appeared in the Ottawa *Journal* of November 7, 1956, headed, "Harris Opposed to Permanent Price Supports." I have another that appeared in the *Producer* of November 8, 1956, headed, "McCubbin Promises Support Parity Prices Motion if Presented Again."

Here we have the Minister of Finance, the Minister of Agriculture and the parliamentary assistant to the Minister of Agriculture all taking different viewpoints on parity prices. At one time the Minister of Agriculture says we have it, and at another time he says the government shuns it. The truth is that we have never had parity prices for agriculture in Canada, and I have never seen such a conglomeration of misrepresentation and confusion. I can only say it is the worst witches' brew I have ever seen.

I do not believe the government has any intention of implementing parity prices for agriculture. The situation is serious because of the cost-price squeeze facing western agriculture. From figures taken from the bureau of statistics Canadian statistical review of the past year we find that in the year 1955 the net income of farmers from farm operations was $1,454 million. It dropped to that figure from a high in 1951 of $2,155 million. The portion of the national income which the farmers received in 1951 was 12.6 per cent, and it had dropped to a low of 7.1 per cent in 1955. Equally, net income in terms of 1946 constant dollars dropped from $2,306 real income in 1951 to $1,674 in 1955.

This may not mean too much to some members of the house, but it means that western farmers are in such a cost-price squeeze today that hundreds of them are leaving their farms. They cannot see any way out, because unless this government is prepared to institute some type of parity prices for agriculture, they cannot meet the cost-price squeeze that is facing them.

I should like now, Mr. Speaker, to turn to the Gordon commission and its report, and say something with respect to its suggestions with regard to agriculture. I can only believe that the report of the Gordon commission in respect of some aspects of the future for agriculture in Canada and its recommendations were made only after the most cursory of investigations into the problems of agriculture and its future. To me some of them are silly, undesirable and completely unworkable.

I refer now to the recommendations the commission made with respect to the handling of wheat. The commission apparently recommends that the Canadian wheat board should set quotas on individual farm production in western Canada. I heartily disagree with this recommendation, for these reasons. First, it would be quite impractical, if not completely impossible, to make any reliable estimates of what the farmers are going to grow. The vagaries of the weather have such an effect on production of the western wheat crop that I do not think it would be possible for the Canadian wheat board to make any reliable estimate of what would be produced. In the second place—and I believe this is much more important—by setting the quotas for western wheat production it would give to our competitors abroad and to possible purchasers abroad of Canadian wheat some idea as to whether or not Canada was under pressure in having to sell her wheat crop.

I believe the policy I have advocated since 1945 would be a more realistic policy for this government to follow. It seems to me there are too many inconsistencies in what has been proposed by the Gordon commission. I believe the government should undertake, as I have advocated since 1945, to set up in Canada the principle of the ever-normal granary. By that I mean this government would see to it that there possibly be stored in this country, under proper long-term storage, a billion bushels of wheat for any emergency that might arise.

If that kind of program were followed I believe we then could have, under Canadian wheat board marketing policy which we have today, real and genuine orderly marketing of the western wheat crop. I believe it would encourage long-term trading agreements with potential purchasers of Canadian wheat. It would add stability to the western wheat agriculture economy. Hence I most sincerely recommend that suggestion to the government. As I understand it now, we have about half a billion bushels or a little better of storage capacity today.

I would therefore make three definite recommendations to the government in respect of agriculture. First, I recommend the establishment of guaranteed parity prices to producers for the main farm commodities. My second recommendation is that they set up a dominion-provincial drainage and conservation authority in order to undertake far-reaching drainage and land utilization schemes, such schemes to have adequate federal financial participation. My third recommendation is storage payments on government-approved farm-stored grain, such a plan to be co-ordinated with an ever-normal granary plan to provide for total storage of one billion bushels of grain if necessary. I believe the implementation of these recommendations I have made is necessary if we are to protect the family farm in western Canada.

I should now like to turn for a moment or two to my own constituency of Moose Mountain. I have never before in this house availed myself of the opportunity to speak in particular about my constituency, which I am extremely proud to represent. I believe it is one of the finest constituencies in Canada, if not the finest. I understand that the largest centre, the former town of Estevan, is just now being incorporated into a city. We have there, of course, the tremendous oil growth and the population growth of that city. I want to give thanks to the former postmaster general for the fact that the federal government is building a post office in Estevan. When the former postmaster general, Mr. Cote, was minister, I had occasion to rise in the house and make the recommendation that a new federal building be constructed in the city of Estevan. After the minister had recovered and was convalescing he was kind enough to write to me and say that he would take my representations into consideration. I am happy to say that the government have seen fit to build that post office, and I wish to thank them for doing so.

Located in the centre of my constituency we have the beautiful Moose Mountain provincial park, abounding in game and wildlife of all kinds. In the lakes there is extremely attractive fishing. It is the delight of sportsmen from all over the world, and many American people come up there to enjoy a holiday.

We have also the Bienfait coal mines. About one-fifth of all the coal mined in Canada comes from that area. We also have a brick plant, which is a crown corporation, producing beautiful brick for all that area. As a matter of fact they are shipping to all points in Canada. There is also being built a large electric power generating plant. Already it is the site of a large generating plant to serve the southern part of the

province, but a new one is being built at Souris river which will cost in the neighbourhood of $40 million.

I am equally proud to say that my constituency is the centre of perhaps one of the largest purebred beef cattle sections of Canada. In that area some of the finest cattle in the world are bred. Last, but not least, it is the centre of the tremendous oil boom in that province. Almost from one end of my constituency to the other an oil play is taking place. Many press reports have described this oil play as fabulous and incredible, comparing it with what took place in Texas some years ago. This has meant that we have many new people who are welcome in my constituency. It has also meant new industries for my constituency. But equally, it has brought new problems and it has intensified some of the old ones. I refer particularly to the urban and municipal financing of services.

In the villages of Bienfait and Oxbow, in the city of Estevan and in many other villages and towns in my constituency we have found that with the influx of increased population and with the very narrow base of taxation which these urban and municipal governments have, it is increasingly difficult for these municipalities to give services to the new population or to the people that were there before. I would therefore suggest to the government that they undertake to set up some form of fund by means of which these municipalities can get loans at 2 per cent or 2½ per cent interest on long-term amortization plans. I think this is one of the crucial problems facing all small governments throughout the country. I therefore make that suggestion to the government.

As I say, the other main problem facing my constituency is the cost-price squeeze facing my farmers. I hope the government will not turn a deaf ear to some of the representations I have made. I hope they will take into consideration the program which I have suggested should be implemented for agriculture. Unless this is done I am convinced that the family farm in western Canada is going into liquidation. I am convinced that more and more people will leave the farms. I therefore plead with this government to try to implement the program I have outlined here tonight.

Mr. N. C. Schneider (Waterloo North): I wish to avail myself of this opportunity in the debate on the speech from the throne, Mr. Speaker, to mention a few matters of special concern to my constituents in the riding of Waterloo North. I am here to present their views and opinions, and this I propose to do in as few words as possible.

[Mr. McCullough (Moose Mountain).]

I am pleased to report general prosperity in Waterloo North. The twin cities of Kitchener-Waterloo and the town of Elmira are enjoying a high degree of employment, with figures showing a slight improvement over last year. These cities are highly industrialized, and Kitchener has become the rubber centre of Canada. My first duty in presenting the problems of my people is to report the continued deterioration of the rubber footwear industry.

While it is true that I have reported high employment in my riding, it is also true that a serious loss is being inflicted on Canada's economy by the laying off of hundreds, or I should say thousands, of skilled footwear makers, including workers at the four additional factories in the province of Quebec at Granby, St. Jerome, Lachine and Acton Vale. The three large plants which for many years manufactured rubber footwear in my riding have been reduced to two as a result of the closing of the Goodrich footwear division, which was moved to Quebec and has since closed operations there. The two remaining footwear plants are operating on a reduced basis, and one of these has added a foam rubber plant so the extensive steam plant may be kept in use. The other remaining plant is geared almost entirely to footwear, and the inroads of Asiatic imports is slowly but surely robbing these two remaining plants of their Canadian outlet.

I do not believe in endless repetition of this complaint regarding the unfair competition of Hong Kong and other Asiatic low wage products, but 7 cents to 15 cents per hour as compared to standard wages prevailing in Canada is unfair, and if continued will surely eliminate Canadian production. It would be a sad day indeed for Canadians if, in the event of war, we were forced to depend on an Asiatic or any other country for such highly essential articles as rubber footwear. With a high priority in wartime, rubber footwear is a necessity to farmers, miners, fishermen, lumbermen, the armed forces and every citizen.

In early December the tariff board held a hearing in Ottawa at which seven submissions were presented by manufacturers, labour organizations, a consumers' association, importers and foreign producers. I attended this hearing, and I feel that it accomplished its purpose by bringing out all the facts, and should be a great help in solving this ever-increasing problem.

Another problem presented to my constituents is the continued deterioration of our Canadian button industry. The inroads of Puerto Rican imports have almost eliminated this once important and busy industry in Canada.

Of the three button factories in Kitchener, one has recently declared its bankruptcy and the other two are in difficulties because the large volume lines, the plastics, are being imported from Puerto Rico at prices below Canadian costs. Puerto Rico, as a part of the United States, is classed as a most-favoured nation, but we feel that wage rates in that country gives those producers an unfair advantage. In addition, I understand that the operators in that country pay no income tax. I again appeal to the Department of Finance and the Department of Trade and Commerce to place some much-needed control on these imports, either by a reduced quota or a fair value for duty purposes based on Canadian costs plus a fair profit, so these two Canadian secondary industries will not be entirely eliminated.

To do my full duty in representing my people I must also bring to this house the appeals of many of the old age pensioners. In this debate we have heard no denial by anyone of the fact that the present pension of $40 per month is insufficient to supply the bare necessities of life today. Many suggestions involving the means test are offered regarding this national service to our senior citizens. It is most desirable that the means test be avoided in old age pensions, and the plan should not place any indignity on the deserving applicant. My own people feel that our province of Ontario has failed them in not paying a supplemental allowance. Though the wealthiest province in Canada, Ontario has done very little compared to British Columbia, Alberta and Saskatchewan. Ontario's assistance involves a voluntary contribution by the municipality, and everyone agrees that municipalities are already overburdened.

I must present also the appeals of our blind citizens, and their requests for the elimination of the means test as applied to payments to our sightless handicapped citizens. It costs money to be blind, and I feel that the means test as presently applied definitely discourages the blind from making greater efforts to support themselves.

Speaking for my agricultural constituents, I wish to remind the Department of Agriculture of the excellent brief submitted last week by the dairy groups of Waterloo county asking for consideration of the continuance of the butter support plan, with the costs of handling and storage added when government stocks of butter are released to the trade. They also requested the development of high standards for grades of butter and other dairy products, a protective device or a floor price under skim milk powder, and the placing of the product under the Export and Import Permits Act. They ask also for legislation that will facilitate producers' organizations in co-operating in the orderly marketing of products on an interprovincial basis, and for assistance to the cheese producers to meet unfavourable trends that may occur in their present markets.

I see no indication that Canadians have changed their habit of eating three meals each day. Most Canadian families offer a prayer of thanks and gratitude for each meal. Do we think also of the lonely hours spent by the farmer who plowed the land to grow the wheat to produce our daily bread? When we enjoy a glass of refreshing, health-building milk or a serving of cream or cheese do we think of the regularly scheduled hours of milking which face the dairy farmer twice each day, and not five days per week but seven days per week? When we spread a serving of good dairy or creamery butter, do we think of the long hours required in the care of a good herd of dairy cows? I mention these things in the hope that the farmer-producer may receive proper recognition of his important place in our economy, and be given a fair return for his labour.

In conclusion I wish to associate myself with those who have congratulated the mover (Mr. Hanna) and seconder (Mr. Robichaud) of the address in reply to the speech from the throne. The hon. member for Edmonton-Strathcona and the hon. member for Gloucester well deserved the praise of this house on their sensible and well-considered speeches.

Mr. W. M. Hamilton (Notre Dame de Grace): In preparing my thoughts for what I was going to say tonight, Mr. Speaker, I was reminded of a little tribute which I have wanted to pay in this house almost since the day I came to Ottawa. I think I should do so now. I wish to remark on the unusual courtesy and kindness of the Ottawa taxi drivers.

As one who has been in most of the cities of Canada and many of those of the United States, and used taxicabs in each one of them, I have found that while they may be a very efficient method of transportation, the drivers do not go out of their way to look after one as an individual. I have been tremendously impressed with the difference here in Ottawa. They meet us at the station; they carry our bags up the stairs at home, and this last is an unusual factor which I do think deserves recognition from those of us who come to this city from outside. Incidentally, I may say it is probably a very profitable operation for the taxi driver, because the tips one gives here in Ottawa are considerably larger

in proportion to those one is tempted to give in any other city of which I know.

The Gordon commission report on the economic prospects of Canada over the next 25 years contains some interesting statistics for all of us who live in the cities of Canada. The commission found:

> Canada has been becoming an increasingly urban country and this trend will continue. In 1951, 62 per cent of the population lived in metropolitan areas or in other cities, towns or villages with more than 1,000 people. By 1980 that proportion may rise to 80 per cent. Over the same period the proportion of the population living in metropolitan and urban areas of more than 100,000 people may rise from 36 per cent to 56 per cent.

Translated into actual population figures, the commission estimated that by 1980 the population of Canada's 15 metropolitan areas will be some 12 million people, as compared with 5.2 million at our last census. When we turn to Montreal, with which perhaps I am more familiar than with the other metropolitan areas of Canada, we find that while the Gordon commission has not published a particular estimate for that city, other authoritative figures place our population by 1980 at over 3½ million, which is an increase of more than 1¼ million above the present figure.

Let me turn again to the Gordon report to obtain further background for what I am going to say. It forecasts that there will be a steady decrease in the number of hours we will work each week, so the present average of just over 41 hours will be reduced by 1980 to just over 34 working hours per week. It is probable, too, that we shall have a good deal more money to spend because, to quote the report:

> By 1980 the average Canadian, after paying income tax, will have about two-thirds again as much net income for his own use as he had in 1955.

I would say in parenthesis, Mr. Speaker, that the Gordon commission is apparently forecasting a Conservative government, because we certainly have indication that the attitude of the present administration is to do nothing except follow up increased income with increased income taxes.

Encouraging as these estimates may be, they foreshadow the further growth of a problem which is already a major one in most of our cities in Canada, and nowhere more so than in our city of Montreal. I refer to the problem of traffic. The figures forecast a tremendous increase in the nature and the extent of that problem over the next 25 years. That is because, first, we have an increasing concentration of our population in and around the major urban centres of Canada. Second, we have an absolute growth in the number of people who are living in those areas.

Third, we have an increase in their spare time, which will be reflected in additional travelling and additional movement around the city itself. Fourth and finally, I think we can expect that the increased income which is forecast will be reflected in increased automobile ownership, as people move from no car to one car and as our families become more and more two-car families where now they operate only a single automobile.

Take as one example Montreal, which is Canada's largest city—and by all indications it is destined to remain so—situated on an island contiguous to other islands. It faces across the St. Lawrence river another area promising, upon the completion of the seaway, to be one of the most prosperous urban areas in Canada if not in the world. The free circulation of traffic, its smooth movement without delay not only throughout the city but across the water barrier which surrounds the city, becomes not only a municipal concern, not only a provincial concern, but a problem of national importance in which, I suggest to you, Mr. Speaker, the federal government should have a very direct and immediate interest.

While I have used Montreal as an example, Mr. Speaker, I make these observations on traffic not only in respect of our city but in respect of all the other metropolitan areas across this country which are faced with this problem and which are going to have to solve it, if it is to be solved, through the expenditure of immense amounts of money.

Let me turn to the area which I am using as an example. We find ourselves in Montreal in the midst of a mighty and dynamic metropolitan region which stretches southward to the United States border, westward to the Ontario border, northward in to the Laurentians and eastward to the Richelieu river and beyond. Like all the other major cities of Canada, all this surrounding area which is contiguous to the city itself is a part of its region. The city lives, breathes and has its being only as it engages in commerce and interchange of people and business with the metropolitan region surrounding it. As this great heartland of ours grows and flourishes —and I think that future is destined for it— there is going to be an ever greater and more difficult traffic problem throughout the entire area. The co-ordination of this traffic will be the first concern, obviously, of any municipal government or any metropolitan regional government which is established. Once established it will, with the financial help of the provincial government, probably be competent to deal with the arterial roads which run through it and which bind its economic

activities to the rest of the region. But even with a full measure of provincial help no local authority can cope with the many water crossings which this network of arterial roads would require. What demands are likely to be made in the future, and what are the requirements at the present time?

Engineering experts have calculated that it will take a tunnel perhaps seven or eight miles in length to take trains as well as automobiles under the St. Lawrence river, and that this would cost approximately $175 million. I do not propose to quarrel with the cost, though it does seem rather high at this point. I do not even propose to quarrel with the proposed length of the tunnel, though I think we should remember when considering a problem such as this the experience of the Canadian Pacific Railway in the Rockies, where they found that spiral tunnels in which the railroad mounted around and above itself enabled them to bring the road out at a point almost immediately above that at which it entered the mountain. I think that is something which might well be considered by those who are giving this problem engineering study.

Be that as it may, we have a cost estimate of some $175 million in order to provide a tunnel to allow train traffic to go underneath the St. Lawrence river and thus remove it from continued interference with the seaway. That in turn would enable the Victoria and the C.P.R. bridges to be converted to traffic use alone. Since the gradient for autos could be much steeper the ends could be raised, especially the south end, to enable it to clear the seaway and thus eliminate another problem which currently is facing us in that area. We also have the promise of the Minister of Transport to deliver a new bridge to Montreal called the Nuns' island bridge, and I shall deal with this subsequently.

With the situation as presently outlined, and with another proposed bridge to the north upon which it is expected the provincial government will embark in the spring, we would still require two additional bridges to the east and west ends of the island, and these might be constructed with the help of the province. On the basis of present-day automobile ownership and traffic count, with these extra bridges and tunnels we would then be almost competent to handle today's traffic. I think I should underline and mark well that I am referring to today's requirements and not those of the future.

Let us look a little into the future. As I have pointed out before, it is estimated that there will be a population increase of about 1½ million in that area by 1980. It is estimated also that motor car registration will increase by about 20,000 a year. This means that in addition to today's traffic, by 1981 there will be an additional 500,000 cars to contend with. We can add to that the increase in the surrounding areas which will rise as the seaway is completed and as industry moves in with its buildings and plans.

This is a clear indication that unless we build well beyond today's requirements we are going to be facing bridge congestion and the blocking of traffic circulation on an even greater scale than at the present time. In order to deal with future requirements we would need at least four more bridges across the St. Lawrence, elevated to clear the seaway traffic, as well as other bridges to the north connecting with the arterial roads.

The cost of such a program is stupendous. Taking the cost of the seven or eight mile tunnel at $175 million, and $90 million each for four elevated bridges which would total $360 million, we arrive at a grand total of $535 million. Then there would be another $300 million to pay for the bridges to connect with the expressways, which would make a grand total of $835 million or close to $1 billion as Montreal's share in providing what would be necessary to deal with the expanding problem of Canadian traffic.

This figure of $835 million to cover the bridges and their immediate connections is obviously impossible of attainment even by such a great metropolis as the city of Montreal. Viewing provincial finances for as short a period as 20 years, it would appear to be even beyond the capacity of the province. If these problems are to be solved it means that they must be considered a responsibility of the federal government. I think I have outlined previously some of the reasons why traffic should be the concern of the federal government as well as the provinces and the municipalities.

In order to arrive at a basis of comparison as to how the federal government might deal with a situation like this we could perhaps turn to the experience of the United States, where at the last session of congress there was created a federal highway administration charged with the building of some 41,000 miles of roads and crossroads to be free of traffic intersections and devoted only to the fast and efficient movement of traffic in the area. They propose to spend some $50 billion in the next 13 years, or approximately $4 billion a year.

One of the major goals of this program is the elimination of traffic congestion in and around big cities by taking the traffic

over, under or around the cities by means of bridges, tunnels and underpasses. On the basis of this $50 billion being spread over some 13 years it is expected the United States government will be contributing some $3.2 billion annually by 1965.

Let us relate that to the Canadian picture. On the basis of the relationship between the gross national product of Canada, which is approximately $28.5 billion, and that of the United States, which is about $409 billion, the proportionate amount for us to spend on highways would be some $223 million a year. On the basis of the relationship between our populations, about 16 million in Canada and 167 million in the United States, the proportionate amount would be some $317.5 million a year. Averaging these two figures, which would perhaps give us the truest comparison, we find that the amount would be approximately $270 million if we were to equal the present program of the United States government in highway construction in proportion to our gross national product and our population.

Now let us take a look at just what this government has actually done, and is doing, in this field. The government has acknowledged its responsibility to provide at least some measure of assistance for highway construction across the country by its contribution under the trans-Canada highway plan. In 1955-56 the contributions under this plan were just over $16 million. In the current year they amount to some $30 million. I noticed in the estimates today that another $30 million is proposed for the coming year. To this we must add the construction expenditures by the government itself in connection with providing links in the trans-Canada highway in its own parks. This comes to about $11 million in the current year.

Thus we arrive at a total expenditure for this highway program on the part of the present federal government of about $41 million, and we can use that as a basis of comparison with the $270 million which would be the logical expenditure by this government if it wished to institute a national program of highway development comparable for our country with that undertaken in the United States, and which they feel they can successfully underwrite.

Obviously not even a major part of that amount would be spent in the Montreal area, but if we take our fair share along with Dogberry and Tumbletown, wherever they may be—I use those names so nobody will accuse me of comparing our city with any other—we would receive approximately $38 million a year were such a program instituted.

Mr. Lesage: The premier of your province would not allow you to take it.

Mr. Hamilton (Notre Dame de Grace): I am dealing, Mr. Speaker, with the federal house, and I have not yet reached the point where I receive any instructions from the premier of my province.

Mr. Lesage: Yes, but he would not take the money.

Mr. Hamilton (Notre Dame de Grace): Mr. Speaker, I would just love to see any one of the gentlemen on the treasury bench really get down to this question and deal honestly with the premiers of our Canadian provinces and, more particularly, with the premier of Quebec, respecting their views, taking cognizance of local conditions and making a sincere attempt to co-operate with them. They would be very surprised, Mr. Speaker, at just how quickly their money would be taken if they had any sincere desire to give it without an abundance of strings attached.

Mr. Lesage: There are no strings attached to trans-Canada highway money.

Mr. Hamilton (Notre Dame de Grace): I have set this plan forward, Mr. Speaker, as an example of the imaginative thinking which I believe is required by the government at the present time in this field of national development. One could go ahead and use many other illustrations; one could find many other fields in which similar action is necessary, but I think this suggestion which I have put forward parallels the attitude of governments which existed in the past, and which helped us to build this country and bring it forward with great strides in a short period of time. I refer, of course, to the time when we were building railroads and canals and when, with federal government assistance, projects which could never have been envisaged either as private or even as provincial projects came into being.

We have reached a point at which traffic in our major cities is strangling the commerce of those cities in a way we have not known before. The federal government, with its tendency to grasp for itself such a large proportion of the tax dollar, has left neither the municipalities nor the provinces with sufficient revenue to deal unaided with this particular problem and I suggest, Mr. Speaker, that it is high time this government proceeded to do something adequate about the situation.

Let us ask ourselves for a moment what this Liberal government has done or what it is proposing to do. How much money has been contributed, for example, toward the situation in Montreal, which I have outlined,

to help in the construction of arterial roads, tunnels and bridges? It has agreed to compensate us for the impairment of traffic caused by the construction of the St. Lawrence seaway by raising one end of the Mercier bridge and the Jacques Cartier bridge, and installing alternate lift bridges at the end of the Victoria bridge. This so-called generosity on the part of the government is intended to restore us to the position in which we were, and we know what that means; choked bridges, highways blocked for miles, helicopters reporting minute by minute news of the blockage, waste of gasoline and waste of time.

It is true we have been promised an additional bridge at Nuns' island at a cost of some $80 million in view of the additional circulation of traffic which is expected to result from activity alongside the seaway, but this project, again, is related to immediate traffic, and it is going to leave us, when completed, in much the position that we are in now.

I wonder, too, Mr. Speaker, whether there is not some contingency in connection with this promised bridge. Before the federal election in 1949 this Liberal government promised a rail and traffic tunnel under the St. Lawrence which was at that time to have cost $80 million or $90 million; the present figure is $175 million. And this present Liberal government was to have paid two-thirds of the cost of this tunnel. There were big headlines in the Montreal newspapers—I read some of them to the Minister of Transport last year—about this statement, this promise of the government. But once the elections were over it was explained that the building of this tunnel was contingent upon the province of Quebec going ahead with power development in the vicinity of the Victoria bridge. We still have not got the tunnel, and last year when it was drawn to the minister's attention he spoke in such a way that we have not even got the promise any more.

When we turn to the promised Nuns' island bridge I think we are right in being a little disturbed. About a year ago we were left with the impression that the construction of the bridge was imminent. We proceeded to a point where the Minister of Transport issued, under date of August 17, 1955, a statement on the development of facilities for the movement of motor traffic between the island of Montreal and the south shore. In that statement the minister said:

> . . . the government has decided that it would be in the general interest if the building of a new bridge, with four traffic lanes, connecting the Montreal north shore with the mainland on the south shore were to be undertaken forthwith. Accordingly, instructions have been given to the national harbours board to retain the services of competent engineers to design a bridge to cross the St. Lawrence river over Nuns' island and to take, in co-operation with the provincial government and with the municipal authorities concerned, such further steps as are necessary for the building of this bridge. Legislation for these purposes will be recommended to parliament at its next session.

Let me repeat that last sentence.

> Legislation for these purposes will be recommended to parliament at its next session.

I have studied with great care the proceedings of the last session of parliament. I have gone through the index, I have searched in every possible place, and there is no legislation whatsoever relating directly to this proposed bridge. There is no specific indication whatsoever that the government has any intention of proceeding with the construction of the bridge.

I think we should realize that the last major project of this kind, the Jacques Cartier bridge in Montreal, was authorized by legislation in this house because it was a matter of joint municipal, provincial and federal concern, and that therefore it would be expected that legislation would be introduced in the house if the government planned to proceed with this project. The fact that they have not introduced such legislation, as so clearly promised in the words of the minister's own statement on August 17, 1955, seems to me to indicate that this also is a project which is contingent upon some other matter.

Only a day or two ago I asked the Minister of Transport when he planned to begin construction of this bridge, and in effect his answer was that he did not quite know, that they hoped to begin some of the approaches this spring. But he cannot begin the approaches and he cannot proceed, as I understand it, until such time as he has got legislation through the house. I suggest most strongly that even if it is a year late, he now make good the promise contained in his statement that he would take action.

I should like finally to touch for a moment on a project which I think might be considered by the government that would be of some considerable benefit to the national development of Canada. I refer to the taking of a national inventory of our natural resources right across the country from coast to coast and the correlation of this information in one particular department where it can be kept up to date. The members of the Gordon commission in their own way have taken an inventory of our economic resources, but we find that we have throughout the country, as we all know, immense natural resources which have been assessed by the provinces but the information on which has not been brought together at one central point.

The federal government have made a start in that connection with their inventory of forest resources under which, in co-operation with the provinces on a fifty-fifty basis, they are taking a complete inventory of the forest resources of our country, but I think that could be extended. As we proceed with the development of the country and as we ask industry, commerce and business to put their money on the line for development, I think we could assist them in making their plans and assist in the development of the country if we were to provide for them such a centralized inventory and study of the great natural resources of Canada.

Mr. Speaker: Shall we call it 9.30?

Mr. Dufresne: Nine twenty-nine and a half.

Mr. Speaker: The Clerk tells me that according to his watch it is now 9.30. Therefore it is my duty, by virtue of the provisions of standing order 38, paragraph 4, to interrupt the proceedings and forthwith put the question on the amendment to the amendment and on the amendment.

The house divided on the amendment to the amendment (Mr. Shaw) which was negatived on the following division:

YEAS

Messrs:

Argue
Balcer
Bell
Blackmore
Blair
Bryson
Cameron (Nanaimo)
Campbell
Casselman
Castleden
Churchill
Coldwell
Diefenbaker
Dinsdale
Dufresne
Ellis
Fairclough, Mrs.
Fleming
Fraser (Peterborough)
Fulton
Gagnon
Girard
Green
Hahn
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Hansell
Harkness
Hees
Herridge
Holowach
Howe (Wellington-Huron)
Johnson (Kindersley)
Johnston (Bow River)
Jones
Knight
Knowles
Leboe
Low
Macdonnell
MacLean
McBain
McCullough (Moose Mountain)
McGregor
McLeod
Michener
Mitchell (London)
Monteith
Montgomery
Nesbitt
Nicholson
Nickle
Nowlan
Pallett
Patterson
Pearkes
Perron
Poulin
Quelch
Regier
Robinson (Bruce)
Rowe
Shaw
Small
Smith (Battle River-Camrose)
Stanton
Starr
Stewart (Winnipeg North)
Tustin
Van Horne
White (Hastings-Frontenac)
White (Middlesex East)
Winch
Wylie
Yuill—75.

[Mr. Hamilton (Notre Dame de Grace).]

NAYS

Messrs:

Anderson
Applewhaite
Arsenault
Ashbourne
Batten
Benidickson
Bennett
Blanchette
Boisvert
Boivin
Bonnier
Boucher
Bourget
Bourque
Breton
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cannon
Cardin
Caron
Carrick
Carter
Cavers
Cloutier
Crestohl
Dechene
Decore
Denis
Deschatelets
Deslieres
Dickey
Dumas
Dupuis
Enfield
Eudes
Fairey
Follwell
Fontaine
Forgie
Garland
Garson
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingues
Goode
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hanna
Hardie
Harris
Harrison
Hellyer
Henderson
Henry
Hollingworth
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Lavigne
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Lesage
Lusby
MacEachen
MacNaught
Macnaughton
McCann
McCulloch (Pictou)
McDonald
McIvor
McMillan
McWilliam
Mang
Masse
Matheson
Menard
Meunier
Michaud
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Nixon
Philpott
Pickersgill
Pinard
Pommer
Power (Quebec South)
Proudfoot
Purdy
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Rochefort
Rouleau
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Simmons
Sinclair
Stuart (Charlotte)
Studer
Thatcher
Tucker
Villeneuve
Weaver
Weir
Weselak
White (Waterloo South)
Winters—135.

Mr. Speaker: I declare the amendment to the amendment to the main motion lost. The question now is on the amendment to the

main motion. All those who are in favour of the amendment to the main motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those who are opposed to the amendment to the main motion will please say nay.

Some hon. Members: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: Call in the members. I note that the whip of the party to my right and the whip of the party to my left, of the official opposition, indicate to me they consider that their members are called in for the purpose of this division. Is that agreed?

Some hon. Members: Agreed.

Mr. Speaker: Therefore I will put the question now. The question is on the amendment to the main motion.

The house divided on the amendment (Mr. Diefenbaker) which was negatived on the following division:

YEAS

Messrs:

Argue
Balcer
Bell
Blackmore
Blair
Bryson
Cameron (Nanaimo)
Campbell
Casselman
Castleden
Churchill
Coldwell
Diefenbaker
Dinsdale
Dufresne
Ellis
Fairclough, Mrs.
Fleming
Fraser (Peterborough)
Fulton
Gagnon
Girard
Green
Hahn
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Hansell
Harkness
Hees
Herridge
Holowach
Howe (Wellington-Huron)
Johnson (Kindersley)
Johnston (Bow River)
Jones
Knight
Knowles
Leboe
Macdonnell
MacLean
McBain
McCullough (Moose Mountain)
McGregor
McLeod
Michener
Mitchell (London)
Monteith
Montgomery
Nesbitt
Nicholson
Nickle
Nowlan
Pallett
Patterson
Pearkes
Perron
Poulin
Quelch
Regier
Robinson (Bruce)
Rowe
Shaw
Small
Smith (Battle River-Camrose)
Stanton
Starr
Stewart (Winnipeg North)
Tustin
Van Horne
White (Hastings-Frontenac)
White (Middlesex East)
Winch
Wylie
Yuill—74.

NAYS

Messrs:

Anderson
Applewhaite
Arsenault
Ashbourne
Batten
Benidickson
Bennett
Blanchette
Boisvert
Boivin
Bonnier
Boucher
Bourget
Bourque
Breton
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cannon
Cardin
Caron
Carrick
Carter
Cavers
Cloutier
Crestohl
Dechene
Decore
Denis
Deschatelets
Deslieres
Dickey
Dumas
Dupuis
Enfield
Eudes
Fairey
Follwell
Fontaine
Forgie
Garland
Garson
Gauthier (Portneuf)
Gingues
Goode
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hanna
Hardie
Harris
Harrison
Hellyer
Henderson
Henry
Hollingworth
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Lavigne
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Lesage
Lusby
MacEachen
MacNaught
Macnaughton
McCann
McCulloch (Pictou)
McDonald
McIvor
McMillan
McWilliam
Mang
Masse
Matheson
Menard
Meunier
Michaud
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Nixon
Philpott
Pickersgill
Pinard
Pommer
Power (Quebec South)
Proudfoot
Purdy
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Rochefort
Rouleau
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Simmons
Sinclair
Stuart (Charlotte)
Studer
Thatcher
Tucker
Villeneuve
Weaver
Weir
Weselak
White (Waterloo South)
Winters—134.

On motion of Mr. Johnston (Bow River) the debate was adjourned.

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

Questions

ANSWERS TO QUESTIONS

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

NATIONAL GALLERY PURCHASES, 1956

Question No. 5—**Mr. Murphy (Lambton West):**

1. Were any paintings purchased by or for the national art gallery in the year 1956?
2. If so, who were the artists and what were the amounts paid in each case?

Answer by: **Hon. J. W. Pickersgill (Minister of Citizenship and Immigration):**

1. Yes.
2. See table below.

TITLE	ARTIST	PRICE
St. Stephen's, Pulham Road	Robert Medley	$ 280.00
The Coal Tip	Robert Medley	280.00
Coster Woman	Cere Richards	75.00
Head, 1951	Graham Sutherland	250.00
Rowlstone Carving with Hanging Lamp	John Piper	100.00
Flower Group, 1944	Ivon Hitchens	100.00
Painting, 1947	Barbara Hepworth	125.00
Whitefield Street Baths	Graham Bell	350.00
Chiswick Mall, 1955	W. Brooker	238.00
Les Bienfaits de la Paix	Purvis de Chavannes	3,920.00
Oat Harvest	Lucius O'Brien	400.00
A Cook	Chardin	885,000.00 for 4
A Mother's Advice	Chardin	
St. Catherine	Simone Martini	
Deposition of Christ	Rubens	
Grace Lake	Franch Carmichael	100.00
The Survivors	John Minton	500.40
Antwerp	James W. Morrice	2,500.00
Canal Boat, France	Gagnon	100.00
Still Life in Front of a Window	André Derain	22,000.00
The Eiffel Tower	Marc Chagall	16,000.00
Froissements Délicats	Borduas	850.00
The Black Cat	Gino Severini	7,000.00
Early Canadian Portrait	Unknown	75.00
Early Canadian Portrait	Unknown	75.00
In the Rockies	John A. Fraser	1,750.00
Mauza-Pau-Kan	Paul Kane	1,500.00
Nicolet, Fête-Dieu	Légaré	2 for 2,000.00
Norbert Doucet	Dulongpré	
Sunny Sandown, Isle of Wight	F. M. Bell-Smith	300.00
A Breezy Day at Limehouse	F. M. Bell-Smith	300.00
Rue des Jardins, Québec	R. W. Pilot	700.00
The Mill Stream: Moret	Maurice Cullen	450.00
October: Twin Butte Alberta	A. Y. Jackson	850.00
Farm at Thornhill	J. E. H. MacDonald	115.00
Poplar and Pine	J. E. H. MacDonald	150.00
The Gate	William Armstrong	200.00
Still Life	Maxwell Bates	125.00
La Fête au Couvent	Jean-Paul Lemieux	700.00
Twilight, St. John's Nfld.	Robert Pilot	750.00
Prairie Towers	Kazuo Nakamura	600.00
Indien	J. P. Mousseau	400.00
Composition	Jean-Paul Riopelle	600.00
Portrait	Maurice Cullen	100.00
Première Neige	Horatio Walker	100.00
Femme se Coiffant	Camille Pissarro	4,002.00
Le Peintre Emerveillé devant le monde	Joseph F. Plasket	400.00
Seven Immortals	Li Kung-lin	16,000.00
Kuang-Wu Tu-Ho T'U	Ch'iu Ying	7,200.00

Questions

TITLE	ARTIST	PRICE
Quince and Poem	Chu Ta	3,600.00
Newfoundland Coast	Ernest Lawson	900.00
Milkweed at Oak Lake	Bruno Bobak	125.00
Landscape with Figures	John Minton	87.04
Blue and Yellow	Terry Frost	428.40
Beekeeper, No. 1	Ceri Richards	476.00
Sea-Gull	Paul-Emile Borduas	1,000.00
Tree Tufts	F. H. Varley	150.00
Yellow Landscape with Cliffs and Boats	D. H. Fraser	680.00
Les Diaphanes	Léon Bellefleur	300.00
Noeud-Papillon	Fernand Leduc	125.00
Le Front à Catastrophe	Alfred Pellan	400.00
Le Visiteur du Soir	Jean-Paul Lemieux	350.00
Street Scene	F. Brownell	100.00
Niagara Falls	Wishaw	350.00
Summer Afternoon	W. A. Ogilvie	160.00
La Petite Place	A. Marquet	4,870.25
Le Chasseur	O. Leduc	40.00
Fête d'Assomption	O. Leduc	50.00
The Loggers	Suzor-Côté	1,250.00
Rossi	Edward Burra	365.85
Self Portrait	Joseph Wright	2,176.00
Two Miners	Josef Herman	542.00
Mountains Back of Taomina	Stephen Andrews	542.00
Still Life, Blue	W. Scott	975.60
The Green Settee	E. Brooker	542.00
Port en Sicile	Nicolas de Stael	8,600.00
Façade No. 8	Marian Scott	185.00
The Artist Painting Queen Victoria	F. M. Bell-Smith	150.00

SESSIONAL PAPER 107 B

Question No. 33—**Mr. Hees:**

What was the total cost in connection with sessional paper number 107B, tabled in pursuance of an order of the house passed on June 20, 1956?

Answer by: **Hon. J. J. McCann (Minister of National Revenue):**

The Canadian Broadcasting Corporation advises that this cost is estimated at $1,750.00.

GORDON COMMISSION COSTS

Question No. 34—**Mr. Hees:**

1. What is the total cost in connection with the Gordon commission up to January 1, 1957?
2. What civil servants, if any, were seconded by the government to work for the commission, and for what length of time has each of them worked?
3. Is the remuneration of such civil servants being paid as part of the Gordon commission inquiry expenses for such time as they were working for the commission?
4. What annual salary as civil servants is paid to each of the said civil servants?

Answer by: **Hon. W. E. Harris (Minister of Finance):**

1. $712,549.73.

2, 3 and 4. The annual salaries of civil servants seconded to work for the commission were paid from their departmental appropriations and were not charged to the expenses of the commission except in the case of Mr. P. Garceau whose salary was charged to the commission. The cost of terminable allowances was charged to the expenses of the commission.

Name	Date Seconded	Date Struck off strength	Terminable Allowance	Annual Salary
D. V. LePan	1 July 1955	Still serving	$4,000.00	$10,500.00
J. Davis	1 June 1955	Still serving	2,000.00	9,500.00
S. Reisman	1 June 1955	Still serving	1,000.00	9,500.00
W. A. Mackay	15 Aug. 1955	Still serving	1,000.00	4,920.00
B. M. Erb	1 Jan. 1956	Still serving	1,980.00	5,760.00
H. A. Hampson	29 Aug. 1955	Still serving	500.00	5,160.00
G. McColm	17 Sept. 1956	Still serving	nil	8,100.00
A. L. Best	1 Oct. 1955	Still serving	600.00	7,380.00
I. B. Rutherford	22 May 1956	31 Dec. 1956	900.00	8,100.00
P. Garceau	1 July 1955	30 Nov. 1956	nil	4,080.00
A. MacRitchie	25 May 1955	6 July 1956	nil	4,380.00
J. Shaw	1 July 1955	Still serving	nil	3,720.00

HOUSE OF COMMONS

Wednesday, January 23, 1957

The house met at 2.30 p.m.

FINANCE

EXCISE TAX—REPORTED ACTION BY BRITISH COLUMBIA CAR DEALERS

On the orders of the day:

Mr. Michael Starr (Ontario): Mr. Speaker, I would like to address a question to the Minister of Finance. Would the minister give his opinion on the resolution passed by the British Columbia car dealers, as reported in the Toronto *Daily Star* of January 22, to refuse to accept any more 1957 model cars from manufacturers until the federal budget, with possible cuts in the 10 per cent excise tax, is handed down; which situation, if it developed in the rest of Canada, could result in a major tie-up of the Canadian automobile industry?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I would not want what I say to be taken as any indication of any budgetary action that one might have in mind. The motor car dealers of Canada have intimated in each of the past three years that they would like the government to find a way of avoiding the loss which they suffer when the tax is reduced. There have been a great many conversations between ourselves and the motor car dealers and the manufacturers' association. The last one was the week before last when several alternative methods of dealing with the problem were discussed with the representatives of the motor car dealers. Whether the action taken by the British Columbia branch of the motor car dealers has been taken in ignorance of these discussions or whether it has been taken as a result of the discussions, I do not know at the moment.

INQUIRY AS TO POSSIBLE TAX REDUCTIONS

On the orders of the day:

Mr. J. M. Macdonnell (Greenwood): I wish to direct a question to the Minister of Finance. In view of the minister's generous spending policy as shown by the estimates, can he inform the house whether or not he will have any generosity left to deal with the matter of tax reductions?

Hon. W. E. Harris (Minister of Finance): I only want to answer, sir, by pointing out that I think this is the first voice that has been raised on the other side in favour of tax reductions.

COMBINES INVESTIGATION ACT

GASOLINE AND FUEL OIL—REQUEST FOR INVESTIGATION INTO INCREASED PRICES

On the orders of the day:

Mr. A. M. Nicholson (Mackenzie): I have a question I wish to direct to the Minister of Justice but I understand that the Minister of Finance is acting for him in his absence. Has the minister's attention been drawn to the items in this morning's papers reporting that five of the major oil companies in Canada yesterday announced price increases in gasoline and fuel oil of about a cent a gallon at the wholesale level? Will the minister consider ordering an inquiry under the Combines Investigation Act with a view to determining whether or not there is a combine which resulted in these price increases being announced at the same time?

Hon. W. E. Harris (Acting Minister of Justice): When the Minister of Justice knew he would be absent today he asked me to answer any questions that might be directed to him. I am quite sure, however, that the house would not expect me to answer this question because he usually makes fairly detailed answers to questions on the Combines Investigation Act, and I am sure he will answer this one in that manner when he returns.

EGGS

INQUIRY AS TO OPERATION OF FLOOR PRICE

On the orders of the day:

Mr. L. E. Cardiff (Huron): I should like to direct a question to the Minister of Agriculture. In his absence perhaps his parliamentary assistant might answer it. What has happened to the government floor price on eggs? Has it become inoperative?

Mr. Robert McCubbin (Parliamentary Assistant to the Minister of Agriculture): I am quite aware of the situation involved in the question asked by the hon. member for Huron. I can assure him that the agricultural prices support board has the matter in hand and we hope that everything will be straightened away within a reasonable length of time.

Mr. J. W. Murphy (Lambton West): Mr. Speaker, I should like to direct a question to the parliamentary assistant to the Minister of Agriculture. Is he aware that in western Ontario counties the primary producer is

getting 28 cents to 30 cents a dozen for grade A eggs at country delivery points?

Mr. McCubbin: Yes, Mr. Speaker; I am well aware of these facts and I hope the situation will be straightened out.

PUBLIC BUILDINGS

SASKATOON—REPORTED CONSTRUCTION OF ARMOURY

On the orders of the day:

Mr. R. R. Knight (Saskatoon): In view of press reports that an armoury or, indeed, armouries are to be built in the province of Saskatchewan this year and in view of the urgent representations I have had from the mayor and city council of my city, I should like to ask the Minister of National Defence if a building for Saskatoon is contemplated at this time?

Hon. R. O. Campney (Minister of National Defence): I can say to the hon. member that ever since I visited his city and looked over the situation with respect to the armoury at Saskatoon I have had the matter under active consideration and it is being considered now.

Mr. Knight: It is a desperate situation.

CANADA COUNCIL

INQUIRY AS TO SELECTION OF CHAIRMAN

On the orders of the day:

Mr. George H. Hees (Broadview): I should like to direct a question to the Prime Minister. In view of press reports stating that Mr. Mackenzie, Dr. Sidney Smith and Mr. Brooke Claxton are all being considered by the government for the position of chairman of the Canada Council, has the government arrived at any decision as to who the chairman might be?

Right Hon. L. S. St. Laurent (Prime Minister): When a Canada Council has been provided for by legislation the government will announce the names of the members of that council and it will not take it very long to make the selection.

IMMIGRATION

C. G. HANNA—COMPOSITION OF APPEAL BOARD

On the orders of the day:

Mr. E. D. Fulton (Kamloops): Yesterday the Minister of Citizenship and Immigration undertook to give an answer to the hon. member for Esquimalt-Saanich as to the composition of the appeal board which sat on the hearing of the case of Christian George Hanna. Can the minister answer the question now?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Yes, sir. The appeal board consisted of Mr. P. W. Bird, superintendent of immigration, Vancouver, Mr. D. R. Henderson, supervisor of placement services, and Mr. H. D. Peters, Pacific district inspector, who are all members of a panel of persons that, under the authority given to me by parliament, has been established for the purpose of constituting appeal boards from time to time when they are required.

Mr. Fulton: Is it not a fact that the special inquiry officer from whose decision the appeal was taken was also a member of the Pacific district office and was appointed as special inquiry officer by Mr. Bird, the chairman of the so-called appeal board?

Mr. Pickersgill: Mr. Speaker, that is very probably true.

[*Later:*]

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I should like to ask a supplementary question of the Minister of Citizenship and Immigration. Has any disposition been made of the unfortunate Hanna case or has any decision been arrived at or is the minister in a position to give the house one of his enlightening statements in this respect?

Mr. Pickersgill: I am afraid, Mr. Speaker, that I cannot do much to enlighten the house. The case is before the courts.

Mr. Fulton: Has the minister received the report of the board which was mentioned a few moments ago? The press report indicated that it was on its way down and that the vessel was waiting until the minister should have made a decision. Has that report been received and is it before the minister?

Mr. Pickersgill: I think that the hon. gentleman's facts are hopelessly out of date. I have, of course, received the report of the special inquiry officer.

Mr. Fulton: I am talking about the report of the board.

Mr. Pickersgill: The board simply dismissed the appeal and that is all there was to it.

Mr. Fulton: We are getting information gradually.

[*Later:*]

Mr. Victor Quelch (Acadia): I wish to direct a supplementary question to the Minister of Citizenship and Immigration. Can the minister

say where Mr. Hanna is at the present time? If he is on the ship, has the ship already sailed?

Mr. Pickersgill: No, sir, I do not think I can say for sure where Mr. Hanna is at the present time; but I am informed he is not on the ship and I am also informed that the ship has sailed.

[*Later:*]

Mr. Herridge: Mr. Speaker, I would like to ask the Minister of Citizenship and Immigration another supplementary question which I have been turning over in my mind since the last answer he gave the house. In view of the fact that the ship has sailed and Mr. Hanna is now in Canada, what is his position and what can be done about it?

Mr. Pickersgill: I presume, sir, that that is something the courts will decide.

[*Later:*]

C. G. HANNA—INQUIRY AS TO FURTHER LEGAL PROCEEDINGS

On the orders of the day:

Mr. Roland Michener (St. Paul's): I should like to direct a supplementary question to the Minister of Citizenship and Immigration. Is the minister aware of any other or further legal proceedings which have been taken in the Hanna case with which the house is not acquainted?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): I am not quite sure with what the house may be acquainted, but this case is before the courts and I do not think it would be appropriate for me to attempt to describe what is going on before the courts.

Mr. Michener: That scarcely seems to be a complete answer to the question which I intended; it was the existence of legal proceedings about which I was inquiring. For example, has any writ of habeas corpus been served upon the department of immigration with respect to Mr. Hanna?

Mr. Pickersgill: I am informed that a writ—I think the hon. gentleman understands these things better than I do and I understand that a writ is not served on a department but on a person—has been served on the superintendent of immigration in Vancouver.

Mr. Michener: Would the minister care to indicate what response was made to the writ?

Mr. Pickersgill: No, sir, I would not.

Inquiries of the Ministry

THE CANADIAN ECONOMY

GORDON COMMISSION REPORT—FREIGHT RATES AND TRANSPORTATION SURVEY, MARITIME PROVINCES

On the orders of the day:

Mr. J. C. Van Horne (Restigouche-Madawaska): Mr. Speaker, I should like to direct a question to the Prime Minister. Has the government any intention of implementing a survey of freight rates and transportation in the maritime provinces, as recommended by the Gordon commission?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, when that matter has been decided it will be announced in the house.

Mr. Van Horne: Has the government any intention of starting an expanded program of geological survey work in the maritimes, as also recommended by the Gordon commission? Has the government any intention of following the Gordon commission's recommendations to increase federal purchases for defence and other purposes in the maritime provinces or is the government going to do as it has always done in the past and do nothing?

Some hon. Members: Oh, oh.

Mr. St. Laurent (Quebec East): Mr. Speaker, the government has no intention of answering questions based on such erroneous assertions.

Mr. Van Horne: You have no intention of doing anything.

GRAIN

OATS—INQUIRY AS TO NEW "SHIELD" VARIETY

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, in the absence of the Minister of Agriculture I should like to direct a question to the Minister of Trade and Commerce. Can the minister comment on the new variety of oats known as "Shield" which is said to be smut resistant and which, according to the *Globe and Mail* of yesterday, has been licensed for sale in Canada? Could the minister say whether this new variety is suitable for western Canada and, if so, whether any seed will be made available in the prairie provinces?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I received notice of this question a few moments ago and I communicated with an officer of the Department of Agriculture, who tells me that "Shield" is the name given to a rust resistant and smut resistant variety of oats which has been bred specifically for areas in eastern Canada where early maturity is of great

importance. It is being distributed to farmers in northern and eastern Ontario and northwestern and western Quebec. The present varieties of oats, notably Garry and Rodney, recently released by the Department of Agriculture are serving the needs of farmers in western Canada.

WHEAT—INQUIRY AS TO FURTHER INTERIM PAYMENT

On the orders of the day:

Mr. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce arising from the number of requests for information received in the last couple of days as to when it is expected the wheat board will make a further interim payment. I would like to know whether or not the minister would be able to indicate approximately when it is expected that a decision would be made in this regard.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I am sorry to say that I am not able to give any information at this time. The matter has been called to the attention of the wheat board but no recommendation has been received as yet from the wheat board.

BRIDGES

BURLINGTON, ONTARIO—INQUIRY AS TO CONSTRUCTION PLANS

On the orders of the day:

Mr. F. E. Lennard (Wentworth): Mr. Speaker, I should like to ask a question of the Minister of Public Works. What progress has been made on plans to construct a new low-level bridge over the Burlington channel?

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, to my knowledge there have been no new developments with respect to this matter since we last discussed it in this house.

Mr. Lennard: A year ago.

NATIONAL DEFENCE

TRAINING OF GERMAN AIRMEN—SALE OF JET TRAINING PLANES

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): I should like to direct a question to the Minister of National Defence, or perhaps the house leader would rather answer it. Is it going to be possible for the house to have a discussion on the proposal to train German pilots in Canada and the recently reported rather large sale of Canadian jet training planes to the West German government?

Hon. R. O. Campney (Minister of National Defence): I presume those matters, along with many other matters affecting the Department of National Defence, will be the subject of discussion when the department's estimates are being considered.

MIDDLE EAST—LOCATION AND ACTIVITIES OF CANADIAN TROOPS

On the orders of the day:

Mr. D. S. Harkness (Calgary North): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Could the minister inform the house where the Canadian troops serving with the United Nations police force in the Middle East are now stationed and could he give us a report of their activities?

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, I could not give the hon. member a detailed report at the moment as to where they are stationed. Their activities are pretty well indicated by the nature of the troops—engineers, signallers and various services. I would be glad to make a statement, if the hon. member wishes it, when I have detailed information.

[*Later:*]

Mr. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, may I ask a supplementary question of the Minister of National Defence. Are we to understand that the minister is not aware whether the Canadian troops are in Egypt, Israel or the Gaza strip, or scattered somewhere around the eastern Mediterranean?

An hon. Member: Are they in Asia or Africa?

Mr. Campney: I do not think any reasonable person would make any such deduction at all.

Mr. Churchill: Well, where are they?

WATER RESOURCES

UPPER THAMES VALLEY AUTHORITY—INQUIRY AS TO REPORTED COMPLETION

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I should like to direct a question to the Minister of Northern Affairs and National Resources. In view of several recent press reports concerning the likelihood of the completion of the upper Thames valley authority in western Ontario, has the minister any comment to make?

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): May I take this question as notice and give an answer tomorrow?

CRIMINAL LAW

REQUEST FOR REPORT OF ROYAL COMMISSION ON SEXUAL PSYCHOPATHS

On the orders of the day:

Mr. John B. Hamilton (York West): I should like to direct a question to the Minister of Justice, and I understand the Minister of Finance has indicated he is answering for him. In view of the continuing threat to young children, could the minister not put a firecracker under the chief justice of the supreme court of Ontario, trial division, in order to obtain his report on sex criminals at the earliest possible date?

Hon. W. E. Harris (Minister of Finance): I am sure, Mr. Speaker, that the high officers the hon. member has mentioned do not need firecrackers to discharge properly their duties to the public.

Mr. Hamilton (York West): As a supplementary question, would the minister ascertain if the government has asked the chief justice for his report or has indicated that they desire it at the earliest possible moment?

Mr. Harris: Yes, I will, Mr. Speaker.

NATIONAL REVENUE

INQUIRY AS TO ACTION RESPECTING NOVEL "TEN NORTH FREDERICK"

On the orders of the day:

Mr. George H. Hees (Broadview): The Minister of National Revenue indicated he intended to read the novel "Ten North Frederick" to see if it should be banned from sale in Canada. Has he read the novel, and what is his decision?

Hon. J. J. McCann (Minister of National Revenue): The book is not yet in this country, unless it has been brought in privately, so I have not read it.

Mr. Hees: Is the minister not aware that the book has been on sale at Ottawa book stands for the past month?

Mr. McCann: No, I do not frequent or patronize the places that sell that type of literature.

[*Later:*]

Mr. Hees: A supplementary question, Mr. Speaker. I would like to ask the Minister of National Revenue if he refuses to read the book which he said he was going to read and decide whether it is salacious literature, in view of the fact that when I just sent him over a complimentary copy of the book he threw it on the floor.

Mr. McCann: Mr. Speaker, I rather think the page boy dropped it instead of placing it on my desk.

Some hon. Members: Oh, oh.

Mr. Hees: No, he did not. You threw it on the floor; you refused to take it.

Mr. McCann: In any event I will read the book when it is brought to my attention officially by the people in my department.

Mr. Hees: You will have to pick it up off the floor, then.

Mr. McCann: I am not going to waste my time reading these things for fun, nor do I frequent or patronize the places where such books are sold. If that is the policy of the hon. gentleman in order that he may have an opportunity to fire questions over here, it is certainly not mine.

Mr. Hees: Mr. Speaker, I want to know what the minister meant when he informed the press conference that he intended to read the book. Evidently he did not intend to do what he said he would do.

Mr. McCann: I have had no press conference with anybody.

Mr. Hees: Then how did the *Journal* get hold of the story?

Mr. McCann: Pardon?

Mr. Hees: Then how did the report get in the *Journal*?

Mr. McCann: Mr. Speaker, I was telephoned at my home on Saturday last by a representative of the Canadian Press and asked about this book and if I had read it, and my simple answer was that I had never heard of it.

Mr. Sinclair: Have you any pictures you want to distribute too, George?

Mr. Hees: That is all you can understand, Jimmy.

TELEVISION

BONAVENTURE AND GASPE—REQUEST FOR PROVISION OF SERVICE

On the orders of the day:

Mr. Bona Arsenault (Bonaventure): Mr. Speaker, I wish to direct a question to the Minister of National Revenue. Has the government, or the Canadian Broadcasting Corporation, any plan to provide television service to the Bonaventure and Gaspe areas in eastern Quebec and to the adjoining sections of northern New Brunswick?

Inquiries of the Ministry

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, the policy of the government, pending the report and the recommendations of the royal commission on broadcasting, is unchanged. Under this policy the Canadian Broadcasting Corporation has been authorized to develop the national television system and to establish television production centres at Vancouver, Winnipeg, Toronto, Ottawa, Montreal and Halifax. Also under this policy, licences are granted elsewhere to private applicants with the aim of extending service as widely as possible. If private stations are established in the Bonaventure and Gaspe areas, or in any other adjoining areas, the corporation will provide programs to them by means of television recordings if networks are impractical.

The C.B.C. has submitted proposals to the royal commission to increase the television coverage in areas where private stations are not established. Any such plans will have to be left in abeyance until the commission reports and parliament has a chance to study and act on its recommendations.

TRANSPORT

FERRY "CABOT STRAIT"—INQUIRY AS TO REFLOATING

On the orders of the day:

Mr. J. A. MacLean (Queens): Mr. Speaker, I should like to address a question to the acting minister of transport. Can the minister inform the house what progress is being made in attempts to refloat the ferry boat *Cabot Strait* and also would he comment on the adequacy of any temporary substitute service which has been provided?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the Minister of Transport and his parliamentary assistant are absent today. I shall be glad to call the question to the minister's attention.

CRIMINAL CODE

REQUEST FOR ENFORCEMENT BY PROVINCIAL GOVERNMENTS

On the orders of the day:

Mr. R. E. Reinke (Hamilton South): Mr. Speaker, in view of a short telegram which I received from the president of the parents' action league in Hamilton, I should like to address a question to the acting minister of justice. With the indulgence of the house I should like to read the telegram. It reads:

Provinces not strictly enforcing the Criminal Code—

Some hon. Members: Order.

[Mr. Arsenault.]

Mr. Speaker: The hon. gentleman will please not read the telegram.

Mr. Reinke: Can the minister comment on whether there are any steps which the federal government might be able to take to ensure a more rigid enforcement by the provincial governments of the Criminal Code, in view of the representations I have received and the tragedies in the past few days?

Hon. W. E. Harris (Minister of Finance): I shall draw the question to the attention of the Minister of Justice, Mr. Speaker.

HOUSE OF COMMONS

INQUIRY AS TO REPORTED $8 MILLION ELECTION FUND

On the orders of the day:

Mr. J. C. Van Horne (Restigouche-Madawaska): Mr. Speaker, I have a question for the Prime Minister. Is there anything, sir, in the private boasting by some Liberal members that your party has over $8 million with which to fight the next election?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, it is not my intention to answer in the house questions of that character from the hon. gentleman.

FISHERIES

INQUIRY AS TO SETTING UP OF COMMITTEE—LAMPREY MENACE IN GREAT LAKES

On the orders of the day:

Mr. J. W. Murphy (Lambton West): Mr. Speaker, I should like to address a question to the Minister of Fisheries. Can the minister tell the house whether he intends to set up the fisheries committee this year? Will he also tell the house whether there is any attack on the lamprey menace in any of the great lakes besides lake Superior?

Hon. James Sinclair (Minister of Fisheries): Mr. Speaker, I do not convene the committee on marine and fisheries. If the chairman of the committee chooses to call them, the officers and scientists of my department will, of course, appear before it.

The new international commission on the great lakes fisheries has now started its work and I should think we should wait until it files its first annual report to parliament on the work it has done before we discuss it in committee.

Mr. Murphy (Lambton West): A supplementary question, Mr. Speaker; I probably did not make clear the last part of my

previous question. Is there to be an attack on the lamprey menace in any of the great lakes besides lake Superior?

Mr. Sinclair: I understand the commission has now laid out its work program for the coming year which includes completion of the work in lake Superior and commencement of the work in lake Michigan on the United States side and lake Huron on the Canadian side.

(*Translation*):

HOUSE OF COMMONS

STATEMENT AS TO DELAY IN TRANSLATING COMMITTEE REPORTS

On the orders of the day:

Hon. Roch Pinard (Secretary of State): Mr. Speaker, last Friday, January 18, the hon. member for Restigouche-Madawaska (Mr. Van Horne) asked me whether steps had been taken to expedite the translation into French of committee reports, so as to avoid the six to seven weeks' delay which is said to have occurred in former years.

To answer his question I should first inform him that, as he no doubt knows, the bureau for translations has to carry out the specific duties which are assigned to it by virtue of the legislation under which it was set up. Now those duties consist in providing service to the various departments of the federal government as well as to both houses of parliament. In other words, it has to give such translation services as are required by those federal administrative agencies as well as those required by the House of Commons or the Senate.

With this qualification, I am pleased to inform him, however, that steps have in fact been taken to expedite the translation of committee reports, and that five translators have been added to the personnel of that particular division. I hope, as he does, that as a result of those arrangements the work will be speeded up.

(*Text*):

POWER

PASSAMAQUODDY PROJECT—STATEMENT BY PARLIAMENTARY ASSISTANT

On the orders of the day:

Mr. Lucien Cardin (Parliamentary Assistant to the Secretary of State for External Affairs): Mr. Speaker, on January 18 the hon. member for Saint John-Albert (Mr. Bell) asked me the following question:

In view of the recent announcement which has been made of President Eisenhower's recommendation to congress of a large appropriation of over $1 million with respect to the Passamaquoddy project, would the government make a statement on Canada's up-to-date position with respect to this development in New Brunswick?

As the hon. member knows, a joint reference on the Passamaquoddy bay project was submitted by the government of Canada and the United States to the international joint commission on August 2, 1956. Subsequently, the commission set up two boards—an engineering board and a fisheries board—with instructions that they should commence studies and investigations without delay. In order that our sections of the boards could start work immediately, certain moneys were set aside from the allocations made to the Canadian section of the commission for the present fiscal year ending in March 1957.

In accordance with the agreement reached by Canada and the United States, the Canadian share for the studies will be $300,000 spread over three years. The required amount of $100,000 for 1957-58 is being asked for in the main estimates of this department for the forthcoming fiscal year.

TRADE

GOVERNMENT PARTICIPATION IN INTERNATIONAL FAIR, MONTREAL

On the orders of the day:

Mr. W. M. Hamilton (Notre Dame de Grace): Can the Minister of Trade and Commerce inform the house whether the government plans to participate in the international trade fair scheduled for Montreal this year?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, that matter is still under consideration.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Tuesday, January 22, consideration of the motion of Mr. R. F. L. Hanna for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. C. E. Johnston (Bow River): Mr. Speaker, I wish to avail myself, as others have done, of this opportunity to say a few words in this debate. It would be difficult for me to address myself entirely to those subjects which are outlined in the speech from the throne because there is not very much in that speech that is of real importance to most of the people of Canada, and those subjects which are outlined in that speech have been amply dealt with by other members of this party and by other members of the house.

I think the speech itself is probably more noteworthy for the lack of interest it shows

in the common people of Canada than for any other reason. I am surprised, Mr. Speaker, that there was no mention in the speech—no indication whatever—that the people of Canada would receive some relief from the tremendous burden of taxation which they have borne so patiently for so long. There was no mention that they might receive any relief whatever through a lowering of the ever-increasing cost of living, nor was there any suggestion that any assistance will be given to the old age pensioners or to those in receipt of family allowances. I mention these two things together, Mr. Speaker, because it has been quite evident during this debate that most of the Liberal party members in the house have given the impression—whether because this may be election year or not—that there would be an increase in these two items, namely old age pensions and family allowances. If that is so, Mr. Speaker, and if at a later date we find that the government has finally condescended to make an increase with regard to these two items, then I would say to you that that would be one of the most dishonourable things that could occur, because if the government can make, and intends to make, an increase in these two allowances now, then they could have made such an increase last year and the year before. The fact that they have held it up until an election year and deprived these people who are in dire need of assistance of receiving these benefits is, I think, a very despicable thing. There are surely other and more honourable ways the government can employ in order to get votes than the use of this underhanded method, and such bad treatment of a group of deserving people for the sake of party advantage.

Still with reference to the speech from the throne, I notice also that no reference was made to any increased allowances for disabled veterans, for disabled persons or for the blind; the speech from the throne was notorious for these, as well as for a great many other omissions. A moment ago, Mr. Speaker, I mentioned old age pensions and family allowances. They could very well have been increased. It is not my intention at this moment to delve deeper into that question, but I just bring it to the attention of the house to remind members that there is a need, and that Canada can well afford to take care of it, together with other problems which are so pressing today.

It is common knowledge that Canada on a per capita basis is the richest country in the world. We have a national product at present of over $29,800 million which is expected to reach the $30 billion mark and, maybe, pass that. Thus it cannot be said that this country is unable to afford the expenditure. In fact, Mr. Speaker, members on the Liberal side of the house have persistently boasted of the great advances which have been made in Canada since their party has been in power.

True, the wealth of Canada has materially increased but I say now that although the over-all gross national product has increased by leaps and bounds the average citizen has not shared in that prosperity to the same extent as those in the higher income brackets. I suggest, Mr. Speaker, that the tremendous increase in the national product is not as a result of the federal government's policies but as a result of the efforts put forth by the provinces of Canada.

I want to bring a few things to the attention of the house in an endeavour to prove what I have just said. I was impressed with the speech made yesterday by the hon. member for Vegreville (Mr. Decore) when he referred to the high freight rates that western Canada and the maritime provinces have to pay and the unfairness of that situation. He pointed out that we in western Canada were at the very peak of the railway rate structure. He pointed out that because of that fact our industrial progress had been hindered. He pointed out that agriculture in the west was being penalized because of this unfair procedure. But the thing he did not point out is that the very government which he supports and has supported over the years is responsible for these unjust freight rates.

It is true that during the time in office of the government the one and one-third rule was put into effect. We in the west had been paying freight rates as much as 200 per cent higher than the freight rates on goods shipped to the west coast under the transcontinental schedule. The rates were brought down so that we paid no more than 33⅓ per cent more than other parts of Canada.

Then under this government, and this is one of the things that the hon. member for Vegreville forgot to say in his speech, the agreed charges were put into effect which permitted the railways to by-pass the one and one-third rule. It was no secret that this would be done because the railways said it was going to be done. It should not be forgotten too when some advocate a so-called two-party system, a system including Liberals and Conservatives only, that at that time it was the Conservative party that fought tooth and nail to have the one and one-third rule done away with and the old rates re-established.

Where would the people of the maritimes and the people of western Canada be if we only had the two old line parties looking after the welfare of the people of Canada?

They would get a much worse deal than they are getting now. I must say that fact was acknowledged by the member for Vegreville when he spoke the other day although I again remind him that he is a member of the very party that is responsible for the conditions we have had over the last few years. Certainly it is clear that the policies of the government are not responsible for the progress that has been made over the years which has brought our national production up to close to $30 billion.

Let me give another example of how the government has hindered progress in Canada rather than advancing it. Mention was made the other day in the house of the tar sand development in western Canada. During the last war when there was danger of a cutting off of gas and oil from the Persian gulf the government did make some effort to develop the tar sands of western Canada which contains one of the largest known deposits of oil in the world estimated at over 200 billion barrels.

But as soon as it was found that there was no great danger of a shortage during the war period the government ceased its operations and efforts to develop that industry further. Nothing was done by anyone else except the province of Alberta until the other day when, as reported in the Ottawa *Journal* of Wednesday, January 16, 1957 the new prime minister of Great Britain, Mr. Macmillan, indicated that the British government was making plans to develop the great oil resources of Alberta. This is what the report has to say:

> Ottawa enthusiasm stirred today at the possibility of new action to free the 200 billion barrels of oil in the tar sands of northern Alberta.

Yes, they were stirred again. The Minister of Mines and Technical Surveys was asked by the newspaper what this Liberal government was doing about the matter and in his reply he gave the impression that the federal government had been continuously active in conducting further research when, of course, nothing could be further from the truth. The article reports the minister as saying:

> He said his department was conducting experiments with promising results. Even with existing methods the cost of fuel extracted from the sands would be close to that of well production, it was estimated.

As a matter of fact, nothing is being done. On January 17 a question was put to the Minister of Trade and Commerce (Mr. Howe) in the house with respect to the matter and this is what he had to say, as found at page 324 of *Hansard*. Actually his statement was closer to the truth.

> I answered the letter—

A letter from the president of a private firm interested in developing the tar sands.

> —and said we were watching with interest the tar sands situation, but we felt that at the moment it is not a development that was justified by present prices for the product.

That is a contradiction of what the Minister of Mines and Technical Surveys said. The Minister of Trade and Commerce went on to say:

> We regard it as more in the nature of a reserve for the future. That is all I have heard on the subject. We have nothing whatever from the British government. As to whether that government is interested or not I have no information.

That is what the federal government is doing to develop possibly one of the greatest industries in all of Canada, in fact, in the whole world. The Minister of Trade and Commerce says that they have been doing nothing at all. The government of the province of Alberta has been doing something. It has perfected the extraction methods to the point where commercial companies are now willing to come into the picture. According to a report in the *Western Producer* of Thursday, January 17, the Royalite Oil Company Limited is planning to spend $50 million in the further development of the tar sands. In addition, the British government is also taking a keen interest.

Once again the provinces are the ones who are entirely responsible for the development of the Dominion of Canada and not the federal government. We see that some of the greatest development in this country is carried on by the province of Alberta, as was indicated by the hon. member for Edmonton-Strathcona (Mr. Hanna) the other day. I want to commend him on the way he praised the development of industrialization in Alberta. Of course he did not praise the Alberta government but that must have been in his thoughts.

The province of Alberta has made the greatest progress toward industrial development of any province in western Canada, and it certainly does not have a Liberal but a Social Credit government. The next province to show wonderful progress is the province of British Columbia, and it too is under a Social Credit government. They have made outstanding progress. Once again the federal government is not responsible for that progress. In fact, there again they hindered development—

An hon. Member: They bucked them.

Mr. Johnston (Bow River): —and, as is indicated by one of the members, they bucked them wherever they had the opportunity to do so. One of the other provinces that has made an outstanding record in industrial development is the province of

Quebec. If you asked Premier Duplessis what share the federal government had in that industrialization and that promotion, I am sure he would tell you in no uncertain terms that it was not the federal government that was responsible for it.

Then there is the province of Ontario which is a great industrial province. I must say that probably the federal government has given Ontario more encouragement and more assistance than it has given to all the other provinces put together.

There is one thing, though, Mr. Speaker, for which this government can take credit, and I want to give them full credit for it. It is this. If there is any inflation in this country, they are responsible for it. I am not so sure that there is any real inflation, in the real scientific definition of the word. According to the general interpretation of the word "inflation", it means too much money after too few goods. But with a gross national product of close to $30 billion, I do not think that could be said to be the situation in this instance. When you take into consideration the tremendous amount of credit buying and the tremendous number of people who are continually going into debt in order to get money with which to buy the bare necessities of life, I think it can hardly be said that there is too much money after too few goods.

No, Mr. Speaker; inflation comes from the ever-increasing prices, a situation which is a direct result of the policy of this government. One of the outstanding examples is the announcement made by the Minister of Public Works (Mr. Winters) just yesterday when he said he was going to make it easier for those in the middle income brackets to find money with which to build houses by raising the interest rate. How he is going to make it easier is going to be a mystery. Certainly those people who can afford to pay more for the money they get will probably be able to get that money. But the majority of people who are in need of houses are not those people who have incomes of $7,000, $8,000, $10,000 and $15,000 a year. It is those people in the smaller brackets who just cannot afford to pay any higher rate of interest than they have been paying in the past who are going to be affected.

The government's first step in this so-called inflation race was when they set a rate of 3½ per cent for their short-term treasury bills. That was government policy. Then, of course, the Bank of Canada were forced to set their discount rate at 3½ per cent. They had no alternative. That was a direct result of government policy. Then the chartered banks—and this was another indirect if not direct result of the government's policy—had their cash reserve requirements raised from 8 per cent to a 15 per cent liquid reserve. Then the chartered banks immediately were forced to raise their interest rates and so they have raised them to 6 per cent and 7 per cent and in some cases up to 8 per cent, depending on the security which the individual has.

Under this so-called assistance by the federal government we find that big businesses and people who have money do not find it difficult to get possession of the money which they require. In most of those instances the large oil companies or other similar organizations—I do not pick them out particularly—with their credit behind them and the way they have of putting costs into prices, can afford to get this higher priced money. Hence they are not finding much difficulty. But under the system of this government in permitting interest rates and prices to climb, the little man has a great deal of difficulty in getting the amount of money that he needs in order to carry on his business. The small family firms are indeed finding it difficult and the small farms are finding it difficult. If that is the assistance that the federal government is giving to the little man—and I think it is—to about 75 per cent of the population of this country, I say that it is not too much to be proud of.

Certainly it cannot be said that the wage earner, the white collar earner, is overly prosperous during these times. I think it will be agreed by all hon. members in this house that after the ordinary working man receives his cheque and has paid his monthly accounts he has very little left, that the majority of the people are in the same predicament and that, as a result of this insufficiency of funds with which to carry on, they find themselves so far in debt that they will not get out of it for the next 25 years or 30 years.

I now want to speak for a few minutes about this high cost of living because I think that is one of the places where the government could and should do something. Not only has the price index risen up to the present time but it is continuing its upward trend. I have here an extract from the *Western Producer* of January 10, which deals in part with this matter. The heading is "Living Costs at New High Despite Food Price Drop". It reads in part as follows:

> Although there was a substantial drop in the price of food, the Canadian consumer price index increased fractionally in November to a record 120.4, the third straight month a new high has been reached.
>
> The index is based on 1949 prices equalling 100. In November a year ago the figure was 116.9.

Then further down the article goes on to say this:

> The composite index of Canadian farm products prices at terminal markets declined 2.1 per cent from 212.4 to 208.9. The field products index dropped 0.7 per cent from 165.2 to 164.1, and the animal products index eased from 259.6 to 251.7.
>
> The decline in the farm products index reflected lower prices for both field and animal products. The field products index declined due largely to lower prices for most grains and eastern potatoes. Substantially lower prices for hogs, coupled with lesser decreases for eggs, western steers and eastern cheesemilk, caused the drop in the animal products index.

From that article I think it is clear that the people who are raising these foods are not the ones who are receiving the benefit. While we have prices continually rising, the costs of those things which people need in order to live, namely farm products, are continually going down.

One of the other things which must be brought to the attention of the house, Mr. Speaker, is the tight-money policy of this government. That policy is reflected in the increased debt and credit buying of the nation. Last year the credit buying was the highest since September of 1955 when it reached $342 million.

I should like to quote from a publication of the dominion bureau of statistics, the Canadian Statistical Review. It says here that in the year 1941 the combined cash retail sales and credit retail sales amounted to—I shall read the table, which is as follows:

Year	Per Cent Cash Retail Sales	Per Cent Credit Retail Sales
1941	71.6	28.4
1948	75.0	25.0
1949	73.5	26.5
1950	72.7	27.3
1951	71.6	28.4
1952	68.4	31.6
1953	64.6	35.4
1954	65.4	34.6
1955	63.7	36.4

This shows that the cash retail sales continually declined and the credit retail sales continued to increase. Had it not been for the extended credit buying that has prevailed in this country, this country would have been in a much worse position than it is right now.

I should like, for a moment, to deal with a problem more local in nature, and that is the problem of Banff national park. As everyone in this house knows, Banff national park is the greatest national park in Canada; in fact, it is the greatest national park on the North American continent. It has the greatest population of any national park in Canada. In fact, it has a greater population than all the other parks in western Canada. When we in this house speak of some government assistance to the national parks, we always hear the Minister of Northern Affairs and National Resources (Mr. Lesage) say the government is spending much more money on the national parks than it ever receives. This might be true. Although the government receives hundreds of thousands of dollars from the two dollar payment for every car that passes through the park gates, that is not the only contribution that the national parks, and particularly Banff, are making towards the progress and prosperity of this country. These tourists who come to Banff national park, or the other national parks in Canada, leave millions and millions of dollars in this country of which every Canadian receives a share. You cannot, therefore, judge the contribution the national park has made merely by saying that so much money was obtained at the park gates.

One of the things I want to bring to the attention of the government, and particularly the minister, is that when improvements are made or buildings constructed in the town of Banff then I believe the people of Banff have every right to have closer co-operation from this government because everything that is done in that park has a personal effect on the people there. I wish to give the government credit for the fact that in the last two or three years there has been much closer co-operation, and particularly in the last two or three months. This is as it should be, and it must continue to improve. If it does not the minister is not only going to hear from the people of Banff, but he will hear from their member in this house as well.

Let me say a word about the new developments that are taking place in Banff and and why it is so necessary that there be closer co-operation in that respect. Within the last few months the government decided to instal a new water and sewage system, or at least to improve the one that is there. There has been a very good water system in Banff and it has been there for years. These people have paid for it through the taxes that were levied. The government suddenly decided, without any consultation with the people of Banff, that they should put in a system which would be large enough to take care of all the tourists that might come to the park, and there are many thousands of them. The cost of this system would be shared, 50 per cent by the federal government and 50 per cent by the people of Banff. This decision was taken without any consultation with the people of Banff, but they are the ones who have to pay 50 per cent of the bills. The people never knew a thing about it until the rates were increased and their 50% share of the increased rates amount to more than we in Calgary have to pay for equal services.

I know the minister will say that the government, by contributing 50 per cent, is going far beyond what is really required. I suggest to you, Mr. Speaker, that the federal government should pay at least 75 per cent of that increased cost because the 2,500 people in Banff should not be expected to carry 50 per cent of the cost of a water and sewage system which will take care of all the tourists who go there for three or four months per year. Lest anyone think I am exaggerating the picture I should like to quote from a letter from the Banff advisory council. Some of the moneys that have been spent in Banff national park are out of all reason; the workmanship is poor and the general construction is not what it should be. I am going to read from a section of this letter from the advisory council to the minister, and I am not doing it behind his back because he knows about it. This letter is dated November 20, 1956. It reads in part as follows:

> The council desires to thank you for your courtesy and for the pains that you have evidently taken to present the department's case from its point of view. They much regret, however, that they are unable to accept, in many cases, the conclusions reached by the department as it seems to them that the facts are not capable of substantiating them.

Then, in another paragraph I find this:

> Not having been supplied with any figures which could be checked and verified the council is at a great disadvantage and is not in a position to comment authoritatively on the manner by which the present sewer and water system has been evaluated; but such evaluation would have to take into account the sums expended on installation, repair and maintenance as shown by the department's records, but what the record would not show is the percentage of total cost covering bad workmanship, wasted material and ill-advised planning. This, of course, extends over a long period of time and it would be absurd to attempt any investigation at this late date, but even in the last few years catch basins have been installed at considerable expense and in a short time have been buried under new sidewalks and rendered useless, others have been placed in locations where it was impossible for them to function. Other similar cases of waste of public funds could be cited. Such expense appears on the records, but there is nothing to show the disparity between actual cost and what the work should have cost had it been performed in a workmanlike manner.

Then, the concluding paragraph reads as follows:

> Under these circumstances, therefore, the council feels that it cannot approve either of the new schedule of rates or of the manner in which it was put into effect. They also strongly urge that, in the future, no changes in tax or licence schedules be made without opportunity being afforded the parks residents, through their representatives, to investigate them and discuss them with the department and further that all major projects of construction or maintenance shall be open for competitive tender and that the citizens shall have the right to appoint a qualified inspector with authority to insure the carrying out of any project in a workmanlike and satisfactory manner. The council feels that if the residents of the parks are to pay for all improvements they have the right to demand that they shall be consulted before such improvements are undertaken and to specify the manner in which they shall be done.

[Mr. Johnston (Bow River).]

I point that out to show you that, to a large extent, federal government expenditures in national parks have been wasted. The projects have not been completed in a workmanlike manner and there has been a lack of planning. I say to the minister, therefore, that when things are being done in Banff national park the people, through their advisory council, should be fully consulted. These contracts should be let by tender and not be carried on by patronage.

I have not very much time left and I should have liked to deal extensively with the question of agriculture. However, my time has passed so rapidly that I will not have much opportunity to do that. Nevertheless, I wish to say that this is one of the great industries in western Canada, and in other parts of Canada as well, that has been neglected by this government. The ever increasing costs of agricultural production have made it almost impossible for them to stay out of debt; in fact, it has not been able to keep them out of debt. We as Social Crediters are firmly convinced that agricultural prices should be based on parity, and that there should be some recognition of this by the federal government in the policies which they pursue in order that the farmers of western Canada will be given some fair share of the national income.

When we consider the prices which farmers get for the goods they sell as compared with the goods which they are forced to buy we find that at the end of the calendar year, or their fiscal year, they have very little left to carry on. I would like to recommend to the government one of the things mentioned in the Gordon royal commission report, namely, that the government consider this session giving farmers cash payments for wheat stored on the farm. I know the royal commission suggested that cash payments should be given to the farmers for wheat stored on the farm in relation to the quota, but I suggest to you, Mr. Speaker, that that is not good enough. Farmers should be given more than a cash payment within the quota limit. They should be given cash payments sufficient to ensure that they will have moneys to carry on during the year or at least enough to keep them out of their ever-increasing debt.

I can only say to you, Mr. Speaker, that the consensus in this house, certainly of farm members, is borne out in the message given on January 4 by Mr. A. T. Baker

in a broadcast on behalf of the Alberta Wheat Pool. This is what he said in part:

> It is a serious matter, however, that we in agriculture find ourselves in a state of semidepression while nearly all other sections of the nation are enjoying record prosperity. With clear heads and common sense we must seek a solution to the problem of our unfortunate relegation to the bottom of the economic structure.

It seems to me that short paragraph of Mr. Baker's address pretty well sums up the position in which western agriculture finds itself.

I would like to deal at great length with the agricultural problem. I have my notes before me but the time has slipped away. I can assure you though that when this question comes before the house again we shall have something to say about it. There are other problems too that are of major importance in my constituency. The declining of the coal industry is one of them. The question of labour is another. There are many more that I should like to deal with at greater length than I have found it possible to do in the short time that is available to me on this occasion.

Mr. J. Watson MacNaught (Prince): Mr. Speaker, may I through you, sir, extend to the mover (Mr. Hanna) and the seconder (Mr. Robichaud) of the address in reply to the speech from the throne my warmest congratulations on the very excellent manner in which they discharged their duties. My congratulations at this time are all the more sincere because I recall that about 10 years ago I had the honour of moving the address in reply to the speech from the throne.

I wish at this time to congratulate the hon. member for Kings (Mr. Kickham) on the excellent speech he made yesterday. The fact that he made that speech, talked about and discussed many of the important problems that affect Prince Edward Island at this time, makes it unnecessary for me to talk at any great length now.

There is one matter, however, that is causing our farmers, more particularly our potato farmers, much concern at this time, namely, the unfair tariff arrangements on potatoes that exist at the present time between Canada and the United States. About two years ago I spoke on this problem in this house. At that time I advanced reasons why I thought this unjust tariff should be renegotiated. I do not intend to put on the record now any of the arguments I used then. I understand, however, that an application has been made to GATT for permission to renegotiate the tariff agreement between Canada and the United States and that such permission has been granted. I hope that the tariff experts of Canada and the United States, if they have not already done so, will soon get together and try to work out a more equitable tariff arrangement on potatoes.

I intend now to discuss for a few moments the preliminary report of the Gordon commission on Canada's economic prospects, more particularly as it applies to the maritimes. It is unfortunate, I think, that this report has received such unfavourable press reports, particularly in the maritime newspapers. These reports seem to deal with the negative aspects of the report and ignore all the good suggestions that the report contains. I think the report must be considered as a whole and not have parts picked out of context and commented on. In my opinion, the report contains much that is good and much that will be of lasting benefit to the maritimes if carried out with the utmost co-operation of all parties concerned.

The most important problem of the maritimes is that of transportation, the problem of getting products of the farm and the sea to market. I am glad, therefore, that the commission has devoted a substantial part of its report to the problem of transportation.

The report says in paragraph 8 at page 101:

> It seems evident that the transportation facilities of the Atlantic region are in need of improvement but it was not possible for us to undertake the kind of detailed study of the problem necessary in order to make positive proposals about the most appropriate measures which should be taken in order to provide solutions.

I doubt, Mr. Speaker, whether any brief presented to any economic commission during the last 50 years from persons in the maritime provinces has not contained some reference to transportation. It is our most important problem.

Mr. Van Horne: And the government has done nothing about it.

Mr. MacNaught: The commission therefore recommends—and I agree very much with this recommendation—

Mr. Van Horne: And the government has done nothing.

Mr. MacNaught: The commission suggests that this should be the subject of a special inquiry which should also include in its terms of reference a re-examination of the present effects of the Maritime Freight Rates Act. The Maritime Freight Rates Act was passed in 1927, I think, and has had a very beneficial result on the economy of the maritime provinces since that time. Many of the good and beneficial effects of the act, however, have been nullified or whittled away by the horizontal increases that have taken place in freight rates during the last 10 years. I was most pleased, therefore, to

see this recommendation in the report. It is one of the recommendations that the commission suggests should be carried out as soon as possible. I therefore urge the government to lose no time in appointing a commission to look into our transportation problems and more particularly the effects the horizontal increases in freight rates have had on the beneficial effects of the Maritime Freight Rates Act during the last ten years.

Hon. W. Earl Rowe (Dufferin-Simcoe): Mr. Speaker, in rising to comment on the speech from the throne I feel I must add my congratulations to those which have been extended to the mover and seconder of the address in reply to the speech from the throne on the able manner in which they discharged their respective duties. Although there has been a wide discussion on the speech from the throne in the limited number of days that we have been given to deal with it, there is not very much to discuss in the speech from the throne. It appears to be somewhat of a pre-election document filled with empty generalities and probably preceding the bringing down of a handout budget before voting day next June, which will in all likelihood be arranged so that we will have even less time to discuss the budget than we have had to discuss the speech from the throne.

I am sure that a great many people throughout the country have been disappointed by the contents of the throne speech. There is very little mention in it of the real problems which confront the people. Farmers throughout the country are disturbed. They find themselves in a steadily declining position and have become the most marginal group in Canada. In comparison with other industries those engaged in agriculture justifiably feel they are forgotten people. The costs of production have been steadily increasing and no other industry in Canada has a smaller margin of profit before taxes. In fact, other industries have almost double what the farmers have by way of return before income taxes. This does not seem to concern the government although it concerns almost everyone else in Canada. The government seems to be following its normal course of smug complacency. In fact, hon. members on the government side of the house do not seem to be very interested in the speech from the throne; very few of the ministers have spoken on it and very few of them even bother to remain in the house to listen to the comments of those who do wish to enter into this debate. The members of the government have been in power for so long a time that they have grown satisfied with themselves and nothing seems to matter to them as long as it does not involve them.

Mr. Lennard: See them smiling even now.

Mr. Rowe: Governments are like machines and when they have been in power for a long time they wear out and become obsolete.

Mr. Pickersgill: Some wear out faster than others.

Mr. Rowe: That comment came from one of the younger members, who has less experience in the cabinet; but he has only to look at his colleagues and examine their tired appearance in order to realize that this government is wearing out.

Mr. Pickersgill: Your government wore out in about six weeks.

Mr. Rowe: The Liberal government is indeed worn out. Indeed if democracy is to survive we must have alternative governments. Never was Canada more in need of an alternative government than she is at the present time. This government has been in power for so long that the people of Canada are becoming alarmed at its attitude. It is no mere figure of speech to say that the complacency of this government is now recognized by everyone. They would surely even admit that political expediency has been their watchword down through the years.

Mr. Lennard: They are getting pretty rusty.

Mr. Rowe: No government with such a vast majority can remain in power for a long period of time without growing, as they have grown, arrogant and contemptuous of parliament itself, showing utter disregard of questions of importance that are directed to them, and they are applauded by a host of followers. And they never receive more applause than when they give the emptiest and smartest answers in order to curtail interruptions. In fact, only the other day one hon. member said that the members on that side of the house were being criticized and indeed even the cabinet ministers were being condemned. Apparently it is a serious thing to members of the Liberal government when cabinet ministers are criticized by members of Her Majesty's loyal opposition.

Mr. Lennard: How terrible!

Mr. Rowe: The view is that these men have been in power for so long that they should not be attacked and nothing should be said that would show disrespect toward them. Indeed, it is not just a case of showing disrespect; it is a matter of casting doubt concerning their type of intelligence. We have

watched changes occur on that side of the house and as the comedian said in the old adage, "What a difference just a few years make." I have seen a few changes over the years.

Mr. Howe (Port Arthur): Why don't you refer it to a committee?

Mr. Rowe: And my hon. friend who interrupts me has, too. In fact, I have seen a lot of changes take place in him. When he first came into this house he was careful and cautious as a skilful engineer should be, but since he has engineered the house for so long he is growing reckless and is tossing caution to the winds. Such changes come over a man when he has been in power too long.

Mr. Pickersgill: You are speaking from experience?

Mr. Rowe: No, but I know one whom you followed very closely in the house. He grew so accustomed to being considered right that he could hardly contain himself and almost felt that he should consult with the spirits.

Mr. Speaker, governments grow that way, independent of party, and the trends which I have observed myself have been observed by many Canadians who view them with alarm. In fact, they are viewed with alarm by almost everyone who is not on the payroll, and since the government has put almost everyone on the payroll it would appear likely that those who have been forgotten will be put on the payroll before next June.

Mr. Harris: Perhaps you could remind us of a few.

Mr. Rowe: You have put so many on the payroll since I have been here and since you have occupied your present post that it would take a Philadelphia lawyer to discover those who have not been so honoured and even he would be hard put to remind you of any because political expediency has been your watchword, too.

These are serious times in the history of mankind, in the history of the commonwealth and in the history of world affairs, but this government sits smugly by and reveals very little evidence of concern for these twisting trends that we observe. I repeat, Mr. Speaker: oh what a change a few years have made! I can recall a time in this house when we had to be extremely careful not to appear to be too closely tied to the motherland. I remember listening to statesmen on the other side of the house tell us that there was nothing left of our bond with the motherland except a fine silken thread which you could hardly see trembling across the ocean. Even that gossamer tie has been weakened since that time.

I can recall, Mr. Speaker, and I am sure you can too,—coming as you do from the county I come from you must have similar ideas about such relationships—when our boys were fighting the most desperate battle in history some years ago we were told that we did not have room in this vast country to develop airfields even if they were to be paid for by the motherland for fear of the political repercussions they might create in this country. It was decided to let old England pay her own way in addition to all the burdens she was carrying. We had no room to build airfields in the wide open spaces of Prince Albert from where comes the new leader of this party.

Mr. Howe (Port Arthur): What air field did Britain pay for?

Mr. Rowe: You would not let them pay for any because you would not let them in here at all. No, Mr. Speaker, the hon. gentleman who has interrupted has, since that time, given vast areas to the United States, following the old policy of "we must not provoke her—we must not provoke our neighbour to the south" even though we quietly, slowly and silently ignore our relationship with the commonwealth.

Mr. Speaker, when this government goes to the country it will have to answer for some of these trends which have been developing so conspicuously in the natural life and character of this country by reason of its long and tedious control of affairs in Canada. I know there are those who disregard these issues. There is nothing more dangerous in a long era of prosperity. The Minister of Trade and Commerce tells us that even if we are buying to an extent of well over a billion dollars more than we are selling to the United States, that is a sort of prosperity. Ask the farmers in Simcoe and other areas what they think of that. It won't work. They have been buying iron and steel products that the United States has made out of our raw iron ore. Yes, the attitude seems to be that we must not provoke the United States even if they ask for investigations with regard to the prices we fix for our goods, should we increase the price of any of our forest products, newsprint or other exports which, of course, has been done. But for the sturdy attitude of the Conservative government of the province of Ontario they would have ordered the private books of firms in order to question our right to put a price on anything we have to sell.

It is true that in the meantime the prices of these articles have increased, like the

prices of everything else—85 per cent in the last 12 years—but there was no howl from Canada when they took our iron ore and made it into iron and steel products and increased the price of those by 114 per cent in the same period. It is true we sell to a great market—one and a quarter billion dollars' worth of forest products go to the United States. But we buy $1,490 million worth of iron products in exchange, though we only sell them about $136 million worth of the raw iron ore.

What is there in the speech from the throne which would give any consolation to the young engineer or to the mothers and fathers in this country who wonder what possibilities their children have before them? Sure, we have heard a great deal about the arts, the sciences and the humanities, and the council that is being set up, and the millions that are going to be spent on this project. That is all to the good. But cannot the government shake itself loose from its lethargy and realize that more scientists and engineers educated in our universities have gone to the United States in the last two years than in any other two years since confederation?

Mr. Howe (Port Arthur): Not true.

Mr. Rowe: Well, Mr. Speaker, I would rather take the evidence I have than the reckless interruptions of the minister—

An hon. Member: What is your evidence?

Mr. Rowe: —because, Mr. Speaker, that process has been going on for the last two years. I might suggest to the minister that since the government has control of radio and television along with other government monopolies, he might well give consideration to carrying out some scientific research into education, and to investigating more carefully what is being put on in these television programs, because our children now are learning to cheat before they are old enough to talk. I do not know what the next generation may be like. I like excitement as much as anyone else, and even though this government has become so slow and sluggish and old and tired that they cannot accustom themselves to anything new, I would urge them to give some study to what they are putting on television that is exciting our youth, encouraging them to run up the alleyways and highways and engage in all sorts of crime and adventure—activities which stem in some cases, and have been proven in the courts to stem in some cases—from what they have seen in these government-controlled pictures displaying the arts, social sciences and humanities.

Mr. Speaker, I am not going to review our trade situation; I realize there will be a budget brought down. The Minister of Finance (Mr. Harris) smiles at that. Mr. Speaker, it must be a great feeling to be able to take from the people more money than has ever been taken from them since confederation, and spend more money than ever before, to raise interest on mortgages to an all-time high record and still have the largest surplus we have had since confederation and a hidden surplus as large as the one that is visible. Never was a government more prepared for an election than this government. We shall have an election next summer that will make all the others fade into insignificance. I have seen a lot of elections in my time. I have seen a lot of pork barrels packed with Liberal expediencies, but certainly I expect to see one next summer bulging over, filled with the gravy from the gravy train that the government has been riding on for so long, all taken from the taxpayers in the last five years—close to $1 billion more than they need. Then the government wonders why our farmers and our labour men are dissatisfied; why the people who have not benefited from all this are asking whether they can afford to keep their child at a university.

Then, to satisfy the bigger fellows and ensure their future, the government raises interest rates on about 80 per cent of the people of Canada and keeps taxes high to prevent them spending too much on boots or shoes for the babies, or to prevent the universities improving their facilities for the study of the arts and social sciences in Canada.

Yes, Mr. Speaker, this government is again embarked on an unhappy, slippery way, sliding more all the time. You have only to look at the number of vacant seats across the chamber during the debate on the speech from the throne to know that the majority of their members do not care what happens as long as it doesn't happen to them.

Mr. Howe (Port Arthur): How many were there on your side when you started to speak?

Mr. Rowe: I think there are a great many more on this side now than were on yours when I started. I thank you for the compliment. At least when I speak my members come in. When you speak most of yours go out.

Mr. Pickersgill: Servile followers.

Mr. Rowe: I am not making this speech in any slap-happy—

Mr. Pickersgill: Slap-dash.

Mr. Rowe: You are a better judge of slap-dash than any man in parliament. I am

not trying to make a slap-happy speech, or use any of the minister of immigration's slapdashery before this house. I am trying to bring to the attention of the government some features that it seems to be impossible to instil into their minds. We have an able leader, Mr. Speaker, and we have a strong party but our party may not need to win the election on its own merits. This country will be so tired of an old and weary government that pays no attention to these fundamentals that the government will automatically defeat itself.

Mr. Howe (Port Arthur): How long ago is it that you were a member of the government?

Mr. Rowe: That is when you were pretty much of a Conservative up in Fort William. That is why we employed you as our engineer to build elevators, and you did a good job.

Mr. Howe (Port Arthur): Twenty-seven years ago.

Mr. Rowe: Mr. Speaker, Mr. Speaker, Mr. Speaker—

Mr. Gauthier (Portneuf): Once more.

Mr. Rowe: These are not issues that can be brushed aside by the glib and clumsy interruptions of my hon. friends to your right. These are issues that concern the heart and soul of Canada. These are issues that concern the hope and security of this country. In all the years I have sat in parliament, Mr. Speaker, never have I been more ashamed of Canada's position within the British commonwealth than I have been during the last six months. There are hon. members in the house and I know there are those who sit to your right who will believe what I say but will not dare to speak. No man is more apt with honeyed words of praise for the commonwealth than the Secretary of State for External Affairs (Mr. Pearson). No man can say nicer things about our relationship. No man can express himself at the United Nations more eloquently than he can by an almost dangerous silence.

Where are we going, Mr. Speaker, so far as the commonwealth is concerned? What is our policy? Can the Minister of Trade and Commerce (Mr. Howe) tell us? No, he cannot tell us.

Mr. Cardiff: The Minister of National Health and Welfare (Mr. Martin) might.

Mr. Rowe: The Minister of National Health and Welfare might.

Mr. Lennard: But he will not.

Mr. Rowe: Mr. Speaker, the commonwealth of nations has been the greatest, the most successful experiment in human relationships of anything the world has ever known. Never in the history of this great old globe has an experiment been tried, tested and proven successful for more centuries than the British commonwealth of nations.

Some hon. Members: Hear, hear!

Mr. Rowe: Yes, Mr. Speaker, my friends to the right will applaud and will give lip service.

Mr. Lennard: And they cut their throats a month ago.

Mr. Rowe: But when the chips are down, as the saying goes, when their leaders are almost crippled under the burden of responsibility, when the nation that has been the beacon light of hope and security down through the centuries, the nation that took the lead in 1914, the nation that took the lead in 1939, the nation that was almost brought to her knees before our great friends to the south entered those wars, when that nation is in trouble, when its leaders are struggling for support, what do we do?

Mr. Lennard: We sold them out.

Mr. Rowe: The little nation of Australia, not nearly as large as Canada, was not consulted, was not so proud that they had to be consulted first. Oh no. But our Secretary of State for External Affairs, much as he loves the old land and praises it with honeyed words, could not stand with them because he thought he should have been consulted. Now he supports the United States of America which says that it does not want to be consulted. He opposed Britain for going into the Suez and he supports the United States of America when the government of that country asks congress: Now that we have got Britain kicked out, can we go in?

He opposed Britain because Britain said that, if allowed to do so, it would stay there until there were signs of peace and the dangers of war in that area were eliminated. He opposes them for taking that stand. Yet he supports the United States of America when its government asks permission from congress to go in there but says it will not go in until Nasser asks them to come. Britain and France told the United States of America that Russia was sending technical advisers, weapons and machinery to support the Arab countries which had threatened to eliminate Israel but even so the United States said: You must get out. Now the United States wants to go in there but is not going to go in without permission even though the whole road from Bulgaria to the North sea is plugged with Russian troops and equipment.

Do these facts not shock or shake this government?

An hon. Member: No.

Mr. Rowe: Do the members of the government think that because they talk the most and travel the most of any cabinet ministers since confederation they know everything about the whole world? Never had we had such talkers and travellers as we have in the present government. They travel around the world. I do not mind the expense, Mr. Speaker. I have had travelling expenses that I paid myself and I know what they amounted to. The taxpayers of Canada are so accustomed to paying high taxes and watching reckless expenditure that even the money spent by these travelling cabinet ministers does not seem to disturb them. In fact, some of the farmers in my district would have spent more if they had had the opportunity.

But, Mr. Speaker, where do we stand? Where are we headed? Is the commonwealth worth anything or not?

Mr. Lennard: You would not think so, to hear them.

Mr. Rowe: Are we supposed to be a partner in the commonwealth? Do we pose in election campaigns and at Lions club meetings as the senior partner? Do we shove our chests out and say we are the brightest gem in Her Majesty's crown? Are we that great? Then, boys, England expects every man to do his duty. The commonwealth expects that the senior partner will be the senior partner in trial as well as in triumph. Where are we headed? There is no question that we are either in the commonwealth or we are not in it. If we are not in it, we will depend on the dollar sign and the dollar bloc or we will have to depend on communism and the Soviet bloc.

Do not sell the commonwealth short. I know there are those in the government who will applaud. I know there are those who are from the old land. I know there are those from every country in the world who are being assimilated in Canada and who realize that the British commonwealth of nations is the greatest assembly, the greatest partnership, the world has ever known. Whether they are Ukrainians, Czechoslovakians, Austrians, Poles, Netherlanders, no matter from where they have come, they are here because of the British commonwealth of nations.

There is no greater Liberal fetish, no greater Liberal delusion than the delusion of those who sit to your right, Mr. Speaker, in pretending that we who sit to your left are clinging to the old strings of colonialism, that the British commonwealth is only for the sheltered few and that they are the champions of Canada's present status. A quarter of a century ago, Mr. Speaker, I heard in this parliament some of the members on that side bragging that they had won this status for Canada. Yes, I heard the late minister of justice and the late prime minister boasting that they had won it. You would have thought to hear them on the hustings that the only status Canada had was a status with a Liberal tag on it.

Who won this status for Canada? Who won our independence? We are grown up. As has been said in years gone by, certainly we are daughters in our mother's house but we have been mistress in our own for a long time. Canada is an independent country. She was not made independent within the British commonwealth. Her independence made her allegiance to the old land that much stronger.

Yes, Mr. Speaker, you know very well, as do many other hon. members on all sides of this house who served in the first great war, that this status was won for Canada from 1914 to 1918, when 60,000 Canadians paid the price. When the late Sir Robert Borden signed the treaty of Versailles, Canada signed as an independent nation. Her status was not won in 1926 at the conference attended by the Liberal statesman of that day. Her status was won between 1914 and 1918. When Sir Robert Borden signed that treaty of Versailles he said in this parliament that the tears rolled down his cheeks because as he signed the treaty for Canada as an independent nation he felt he was signing it with the blood of those who slept in Flanders fields rather than with the ink that was used a few years ago by Liberal politicians.

Mr. Speaker, we have a part to play and we have a responsibility. Again I say this: Do not let anyone sell this great institution short. The Canadian people will not allow any government to forfeit the great chance we have to become still greater in the British commonwealth of nations. Ever since I was a small boy I have heard it said that the sun never sets on the British empire, that it comprises one-quarter of the world. I just checked up here recently and found out the facts. Despite those facts there are those who sit back and say it is too bad, but the old land is through; that the commonwealth has lost her place in the sun; that we now will look north or south. Those sitting on the government benches have allowed over the last 20 years another dangerous trend to develop, so that about 70 per cent of our business is now done with the United States of America.

Stop and think of the matter. Never in the history of human relations and trade relations has any nation gambled as Canada has done. No other nation in the world has ever put so many of her trade eggs in the one basket. Yet, Mr. Speaker, some of the grandfathers and fathers of those young hecklers across the floor to your right, in the years gone by fought an election to have commercial union with the United States of America, and again in 1911. In 1925 I remember so well what happened. The Minister of Finance—he is not in the house; he is still in Montreal—some years ago said, "We do not believe in a brick for brick policy with the United States. We believe in countervailing duties. We will raise our tariffs when the United States raise their tariffs. We will have a countervailing system". In other words we will send our fiscal responsibilities and prerogatives down to Washington and will do what they do. Then a few years later the leader said, "We should like to raise tariffs against the United States of America with this trade coming in as it is, but we must not provoke the United States".

He said we must not provoke them. It would be too bad to provoke them. Mr. Speaker, since before you and I were born, every year consistently we have sold more to the old land, than we have bought from her. I spoke about the British commonwealth covering 25 per cent of the world area. She has more than that percentage of the world trade. Twenty-seven per cent of all exports of the free world today are coming from the British commonwealth of nations. Thirty-one per cent of all the imports are used by the British commonwealth of nations. This government are turning their eyes to Washington, afraid to provoke them, saying where they lead we will follow, even though they are condemning Britain for the same course, condemning Britain on the left hand and following the United States in an even more radical course on the right hand. Mr. Speaker, it is a spectacle that would be a comedy if it was not bordering on a national tragedy.

Mr. Speaker, what we should be doing and what our statesmen should be doing is this. I have no criticism for them at all for travelling; in fact for all they do at home they might as well be travelling. I would rather see the Minister of National Health and Welfare travelling, whether he is talking to bewhiskered men in Ceylon or wherever it might be. I am proud to see him travelling and gaining knowledge of world affairs.

But, Mr. Speaker, I say that we should not sell this commonwealth short. Instead of looking to Washington we should be giving study to our part in the British commonwealth of nations, and how we can unite with western Europe. The hope of civilization rests more with the British commonwealth of nations united with western Europe than it does with the United Nations organization that can be defeated by those it is trying to control. Western Europe and the commonwealth combined, despite what some people think about the sterling bloc, today control 59 per cent of all the exports of the world and 65 per cent of all the imports. The Minister of Trade and Commerce is very glib with interruptions. If these figures startle him, let him deny them. If he were in his place he would probably say they cannot be true. Did the Minister of Citizenship and Immigration question them?

Mr. Pickersgill: I did.

Mr. Rowe: I am not here to educate the Minister of Citizenship and Immigration. He has been around here for a long time, and he should have learned more.

Mr. Pickersgill: The figures probably came from the Tory statistical office.

Mr. Rowe: The United Kingdom herself has given us a favourable trade balance down through the years. Britain imports 70 per cent of all she buys from western Europe and the commonwealth. She is playing her part as a partner. I think it is high time we played our part as a senior partner. My leader has asked repeatedly for a commonwealth conference. Before he became leader of this party he asked for one, and he has done so since. One of the first things he did when he became leader was to urge that we should have a British commonwealth conference. We have pleaded with this government for one. The answer has been no. The Prime Minister has said it is not convenient for him now. The ex-prime minister of the United Kingdom has gone out of public life perhaps for good, broken physically and almost broken-hearted. But no; we have no time for a conference. The new leader has come into office facing an economic crisis. The nation has been brought almost to her knees economically. On the floor of the House of Commons pleas have been made that the commonwealth nations should get together; that we should have a restudy of the matter; that we should bring this subject of international trade before the conference and find out, after careful study of this all-important subject, where we stand and what we might do.

I am not sure, Mr. Speaker, and neither are you, whether, when we are confronted with a situation such as this we can arrange to change the picture overnight. But before I resume my seat I say in all sincerity that

we as a senior member of the commonwealth, independent of party, race or creed, should be ashamed to sit idly by and see develop a situation and a trend that threaten the economic soundness of the greatest institution, the greatest organization, the greatest and most successful experiment in human relations that world history has ever recorded, one that has shaped the pattern of the United Nations. The failure of the United Nations to follow that pattern has been responsible for its greatest lack of success.

Mr. Speaker, if this government are so sure of returning to power I urge upon them that, if they are interested in the generations that are yet to come, they have some research undertaken but not by a Gordon commission. Do not pick somebody whom you are going to make a cabinet minister to tell you how to win the next election by telling people that by 1980 they will be so happy that they will not have to work at all, that they will eat more, drink more and have more fun.

We do not need that in Canada. We want someone who will look into this and find out if Canada is a senior partner of the British commonwealth, and if she is playing her part as such. I do not like to think, Mr. Speaker, that our people have to go to the United States for jobs fabricating our raw resources to be sold back to us. I do not like to depend on the whims of Washington. I do not like to have our international affairs guided by our glib-tongued twin travellers in external affairs who follow the United States of America. I would rather that even when they have a little doubt they would follow the motherland that has given leadership to the world down through the years and, Mr. Speaker, could give even stronger leadership in the future if she were supported by her partners. Combined with her partners she can still be the greatest nation in the world; separated from them she will fall apart, and then we will have to line up either with the Yankee dollar or Soviet dictatorship.

Hon. Paul Martin (Minister of National Health and Welfare): When the hon. gentleman who has just taken his seat, speaks in this house, Mr. Speaker, I am sure he is aware of the admiration and friendship that all hon. members have for him. But I would not want this tribute to be construed as meaning that one always agrees with what he says. Certainly there are occasions in this house when one wonders whether the hon. gentleman is not seeking to make an effective debating speech rather than have us take all the things he says with too much seriousness.

An hon. Member: Now, now, careful.

Mr. Martin: I am sure the hon. gentleman does not seriously believe there is anyone in this house, and I am sure he does not for a moment think there is any political group to your right or to your left, Mr. Speaker, that does not wholly subscribe to the view that the commonwealth is an instrument for good in this world and that it must be preserved. One would have thought we had long passed the day when it would be possible to seek to divide public opinion in this country on the question of allegiance to the commonwealth.

Mr. Lennard: The British commonwealth.

Mr. Martin: The British commonwealth. One would have thought also that we had passed the time when anyone could seriously assert that any responsible political group in this country did not recognize, particularly in view of the interdependent character of our world and the critical nature of the current international situation, the value of the British commonwealth of nations.

It is because we have heard in this debate a number of speeches suggesting that a serious divergence has taken place between the government, on the one hand, and certain groups in opposition on the other in respect of the commonwealth's value that I rise today as one member of this house to affirm strongly that the thesis of the speech to which we have just listened cannot be supported by any policy or declaration made by the government or by any responsible group of citizens in Canada. On what does the hon. gentleman rely for the statement he makes that we have reached in Canada a critical situation regarding our appreciation of the commonwealth? On what does he rely to suggest that anything that has transpired in this country during the last few months indicates that the government of this country does not share the view of most Canadians that the commonwealth is an institution for good and for peace in the world?

I believe we must understand what is the nature of the commonwealth if we are to deal successfully with the kind of statement to which we have just listened. Does it rest on the ground that one constituent member of the commonwealth must be regarded as not having any faith in the commonwealth because, in a matter of some importance, it has sought to take a course that was not wholly consistent with the course taken by another member of that commonwealth? Does it mean that the commonwealth association precludes freedom of decision and judgment on the part of any of its constituents? If that is the thesis of the hon. gentleman, for whom I have the highest personal regard, as he knows, then I must say to him that that concept of the commonwealth is one that is now long out of date.

Mr. Rowe: No one knows better than you that that is not the concept.

Mr. Martin: We will not forget that in 1919 it was a Conservative prime minister, Right Hon. Arthur Meighen, who took serious issue at a prime ministers' conference—

Mr. Knowles: Was not Sir Robert Borden prime minister in 1919?

Mr. Martin: I am sorry, it was 1921; I thank my hon. friend for correcting the year. Mr. Meighen was attending an imperial conference in London in 1921 when he took the lead in denouncing the Anglo-Japanese alliance—

Mr. Rowe: That is the independence of which I speak.

Mr. Martin: The hon. gentleman is now recanting his position.

Mr. Rowe: I told you before that you were setting up straw men. That is the position I took.

Mr. Martin: Let me finish my remarks; then you can ask me any questions and I shall try to answer them. Mr. Meighen took the position that the Anglo-Japanese alliance was not in the interests of commonwealth unity and inimical to commonwealth-United States relations; that it was not an instrument for easing the tension that then prevailed between friendly nations; that it was not calculated to provide unity in the British Empire. Is one to argue that the prime minister of that day was not entitled to have an independent, Canadian point of view? Will anyone suggest in all seriousness that Mr. Meighen had a less appreciative concept of the commonwealth than the hon. gentleman who has just spoken?

I endeavoured when I was in Australia, speaking of the commonwealth and explaining our position, to describe my view of the commonwealth in these terms. I suspect that it represents the evolutionary character and quality of the commonwealth as it is understood today. I said:

> Like all human institutions, the commonwealth is changing and will continue to change.

If anyone challenges that observation I would ask him to read the famous speech of Lord Milner, than whom there was certainly no greater protagonist of the empire and commonwealth.

Mr. Rowe: I never challenged that.

Mr. Martin: My hon. friend says he does not challenge that, and that is a very important admission because of what is to follow.

Mr. Rowe: You are putting up straw men.

Mr. Martin: I continued:

> That, I suggest, has been one of the secrets of its success. It has grown and developed out of what was once a colonial empire, to become a free association of sovereign nations, made up of men and women of many races and colours and creeds but all united by their allegiance to a common crown and by their belief in the validity of the democratic process.
>
> The right of each member to determine for itself its attitude towards important international issues is basic to our concept of the commonwealth.
>
> It would be a distortion of the truth to say that our views on all important matters have always been identical. Variations in approach and emphasis are to be expected between nations that are situated in various quarters of the globe. But that is surely one of the strengths of this family association of ours—that we are able to speak frankly and thoughtfully to one another and not be misunderstood. In this way, we have in our informal and effective manner been able to get many things done and to demonstrate in the quality of our relationship the type of true international co-operation that should be the objective of all who, through the United Nations and other instruments of co-operative action, seek to build a world at peace.

That was and is my understanding of the character, the intentions and the purpose of the commonwealth.

Mr. Rowe: That was mine 30 years ago.

Mr. Martin: My hon. friend says that was his about 30 years ago. I am glad to know that, but it certainly was not the view he stated a few moments ago.

Mr. Rowe: Oh, yes; you were not listening.

Mr. Martin: I emphasize that the reason I expressed these views was that I was speaking in a sister country of the commonwealth at a time when the strains on all were great, and when all commonwealth members had not taken the same course in the United Nations in respect of the action of one of the important constituents of that commonwealth. An Australian newspaper, the day after, quoted approvingly this conception of the commonwealth and said its very essence consisted in that it afforded to its members the opportunity of freedom of judgment, and that that privilege could be compared with the totalitarian restrictions that did not permit under any circumstances any deviation. This is the strength of the commonwealth of nations, and I say I do not think one promotes the interests of this free association of nations by suggesting that because there have been disagreements, or shadings of disagreements, these should be regarded as an indication of a desire to destroy the unity of an instrument which at this time is one of the essentials for the peace of the world.

Mr. Lennard: What about supermen?

Mr. Martin: Now, my hon. friend says we should not sell the commonwealth short. He

has not given any arguments to support the justification for that interpolation.

Mr. Lennard: You certainly did last fall.

Mr. Martin: He put a rhetorical question to this house, and by the character of the question seeks to leave the impression that the government had sold the commonwealth short. I submit to you, Mr. Speaker, with confidence that on the record there is—

Mr. Lennard: On the record, yes.

Mr. Martin: —no evidence to support that kind of statement or impression.

Mr. Lennard: What about the supermen?

Mr. Martin: What is the commonwealth made of? The commonwealth, *inter alia,* consists of the United Kingdom, of Canada, of Australia, of New Zealand and of South Africa. It includes among others those great Asian nations of India, Ceylon and Pakistan. Do we strengthen the commonwealth by suggesting to those Asian nations in particular that because they take certain courses they are contributing to the disruption and the disunity of the commonwealth? I have had the opportunity of talking, and talking seriously, to the prime ministers of all these commonwealth countries in Asia, and I can say with confidence that I am sure if that was the view of the commonwealth generally held, it would be a view that would not be fully subscribed to by all of them.

The commonwealth is an instrument for good, not only in America, not only in Europe but in Asia, and I doubt very much whether we strengthen it in these areas by suggesting, as was suggested just now, that a difference of opinion among members of the commonwealth is to be construed as evidence of or as a desire to disrupt this important grouping of nations.

The prime minister of India said the British commonwealth was important because it was made up of independent, sovereign nations bound together by certain common factors; a common appreciation of the value of individual freedom; an appreciation of the individual as being more important than the state; and an appreciation of the value of the parliamentary processes. These are some of the important links of the commonwealth, and to suggest now that it is predicated on the fact that we must agree on everything is to suggest something that is so out of date that one wonders whether it is necessary to spend much time by way of reply to a thesis that suggests the opposite.

It is only because words such as those we have heard are calculated to do more harm than good that I, as one member of this house, feel that I should take issue with what the hon. gentleman has said.

Mr. Rowe: Mr. Speaker, I rise on a point of order. The Minister of National Health and Welfare has been very glib in misconstruing what I said, but I will not let him say in this house that my remarks were calculated to do more harm than good. He was a mighty flatterer in his original compliments, in saying what he did, and now he is suggesting that my remarks were calculated to do more harm than good in this house. May I assure you, sir, that I was not talking about differences. I emphasized the independence we have had ever since the days of Sir Robert Borden, and I also emphasized the need for a conference, on which the minister has not touched.

Mr. Martin: I would not want for one moment to use words the hon. gentleman might find personally offensive, because the hon. gentleman is not the kind of man who deliberately seeks to do anything but good. But what I did say was that his speech today, notwithstanding what his intention may be, was not in my judgment calculated to strengthen the very organizations which he espouses so strongly.

Mr. Fulton: What about the Prime Minister's speech of November 26, when he talked about supermen?

Mr. Martin: Will anyone deny that the Secretary of State for External Affairs—

Mr. Fulton: What about that?

Mr. Van Horne: What did he mean by that?

Mr. Martin: Something was said about supermen. I do not know what is meant by that.

Mr. Fulton: You were away.

Mr. Van Horne: We do not, either.

Mr. Martin: If by that is meant we are trying to pit white against coloured I say that, too, is not in the interests of preserving the unity of the commonwealth of nations.

Mr. Fulton: Was that what the Prime Minister was trying to do?

Mr. Martin: Is there not another aspect of this that is important?

Mr. Van Horne: That is what we are talking about.

Mr. Martin: The Prime Minister of the United Kingdom—

Mr. Cardiff: On a point of order, who on this side said anything about colour?

Mr. Lennard: The Prime Minister did.

Mr. Martin: The Prime Minister of the United Kingdom, in a speech he made the other day in the United Kingdom, said that one of the purposes of his administration would be to strengthen the Anglo-American alliance, as he called it. I am sure that all of us, aware of the tensions that prevail in the world at this time, recognize that the welfare of the freedom-loving nations depends on the existence of that alliance as well as on the association of all free nations of the world.

The hon. gentleman suggested by implication in his speech, as did the hon. member for Winnipeg South Centre (Mr. Churchill) who spoke yesterday, that not only were we seeking to bring about a disunity of the commonwealth—

Mr. Lennard: You have already done that.

Mr. Martin: —but we were also seeking to add to this disunity closer association with the United States.

Mr. Lennard: You are just trying to mend the fences now.

Mr. Martin: The Secretary of State for External Affairs said at the special session that Canada was a messenger boy for no country, that we were capable of arriving at independent judgments—

Mr. Lennard: Sometimes we doubt that.

Mr. Martin: —within the terms of the reference extended to us as a free, independent nation within the commonwealth of nations. He said not only were we not the messenger boy for any one country, but that by our policies and our attitudes over the past half decade we have indicated that where there were differences between ourselves and the United States we did not hesitate to firmly express our opinions and our intentions.

I would say that to seek to suggest that as a result of the course we have taken in respect of the matter of recent date we have thereby sought to move closer to the United States than to the commonwealth is not in harmony with the facts, and moreover is not in itself calculated to promote the kind of relations that should exist between Canada and Great Britain on the one hand and Canada and the United States on the other. Neither is it calculated to promote our position if we serve any purpose at all as a bridge between friendly nations, nor is it calculated to promote the very objective the British prime minister said it was one of his determinations to seek to do, to improve relations between the United States and Great Britain.

We have indicated from time to time at the United Nations and elsewhere a difference in point of view not only with Great Britain but with the United States and with other countries; and because we have expressed these differences, has that in any way alienated us in our associations, or in our friendships, or in our determination to do all we can to strengthen the existence of freedom by our association and collaboration with the United Kingdom, the United States, France and with other freedom-loving countries? The time surely is at hand when we all should realize that not only is it important that there should be the most cordial of relations between Great Britain on the one hand and the United States on the other, but that there should be a similar relationship among all the freedom-loving countries of the world.

The peace of the world at this time largely depends upon the collaboration of the United Kingdom and the United States, but it also depends upon the association for common purposes of all the freedom-loving nations of the world, and that includes the United States. Is it wrong for us, the country that is the closest neighbour of the United States, a country that has lived in relative peace with the United States for almost 150 years, to take advantage from time to time of an opportunity to affirm the peaceful intentions of the policies of the United States? When we do so, are we in any way giving evidence of less interest on our part in the commonwealth, or less appreciation of the value of the United Kingdom as one important member of that commonwealth?

Surely in this critical day when the free world finds itself, as was expressed by the President of the United States, "confronted with situations of the most serious kind", it does not seem proper for any hon. member of this house to suggest that by its policies the government of Canada is seeking to destroy the unity of the commonwealth and thereby impairing the relations that should prevail between the United Kingdom and the United States.

The hon. gentleman said we have grown up; he said that Canada is independent. If the hon. gentleman means that, and I am sure on reflection he really does mean that, surely his pronouncements should be predicated accordingly. As he himself said, a distinguished prime minister and leader of his own party played a great part at Versailles at the end of the first world war in giving expression to the new sense of nationhood which this country had acquired as a result of the heroism of her sons in that war. An independent nation within the commonwealth acts in accordance with what it conceives to be the interests of itself, of the common-

wealth and of the peace of the world; and, Mr. Speaker, no other motive can be attributed to the policies of those who sit on your right in this house at this time.

It was suggested yesterday that we were giving too much support to the United Nations. I am not aware that we on this side of the house have ever said that the only consideration in our foreign policy had to do with the United Nations, but I was a little surprised when I heard the speech of the hon. member for Winnipeg South Centre, in what I thought was a failure on his part to appreciate the true present nature of the United Nations. I thought most of the people in this country supported those who spoke for this nation at San Francisco in 1945, when we affixed our signature to the charter of the United Nations and joined with Great Britain and the United States and other freedom-loving nations of the world in seeking by that instrument to set up for the second time in 25 years an organization by which we hoped to minimize the occasions of war and provide for our world some semblance of tranquility in order.

The signature of the prime minister of Canada was attached to the charter of the United Nations in the presence of representatives of the opposition. I well remember the late Mr. Gordon Graydon's views, and he was present at the signing of the charter in San Francisco. He was one of the staunchest friends of the United Nations and strongly supported the obligations that flowed from our signature to its charter. The hon. member for Winnipeg South Centre will remember that at the preparatory commission of the United Nations in the fall of 1945 Mr. Graydon spoke about the value of the United Nations as it was then understood in Canada.

The view he gave then is still the view of this government and I believe of the majority in this house and in this country. There was no suggestion by him, nor is there any suggestion now by the Secretary of State for External Affairs, that the United Nations is a perfect organization, that it has so developed its processes of adjudication and conciliation or that its constitution is such that it is capable of dealing finally and effectively with every problem in international life today. What Mr. Graydon said and what we say now, as the President of the United States said yesterday and as Mr. Harold Macmillan, the Prime Minister of the United Kingdom said a year ago in the United Nations, is that this organization with all its faults and with all the frustrations that have attended its operations in 10 years, represents for all of us in the long term the best hope for mankind.

The fact that it has not been possible to implement article 43 and give it, as an hon. member suggested yesterday, the kind of sanction necessary to make its legislative effort effective is not because of any fault of Canada, nor is it the fault of the United States or of the United Kingdom. If the United Nations has not yet achieved the powers involved in the kind of sanction that would make this organization fully effective, for example, in the case of Hungary, the fault lies at the doorstep not of any country in the free world but of the Soviet union, which has consistently refused to give effect to the implications of article 43. To say that the United Nations is one of the cornerstones of our foreign policy is not to suggest that we believe it to be a perfect instrument or organization; it is certainly no justification for the view that we have abandoned the North Atlantic Treaty Organization or that we have abandoned reliance on the potential and actual value of the commonwealth of nations.

Mr. Churchill, as prime minister of the United Kingdom, had much to do with the setting up of the United Nations. He and Mr. Roosevelt and Mr. Mackenzie King, among others, played a great part in the inception of that organization and no one would suggest that because Mr. Churchill had been disposed to act as he did he was anxious to see the liquidation of the empire in which he found so much to be admired. To suggest that we have abandoned our other obligations in the commonwealth or under the North Atlantic Treaty Organization is to suggest something that is simply not in harmony with the facts. The hon. member for Winnipeg South Centre said he knew that the Secretary of State for External Affairs was a confirmed believer in the North Atlantic Treaty Organization. He acknowledged that in answer to a question I put to him at the end of his speech.

Mr. Churchill: I did not say anything about his being a confirmed believer. I said he had applied himself—

Mr. Martin: But it was said that he was not vigorously extending his views to the public of Canada on the value of this organization. I do not know of anyone in the North Atlantic Treaty Organization who consistently, year after year, month after month and day after day, has done so much to promote, integrate and strengthen that organiza-

tion as the Secretary of State for External Affairs. Was he not one of three men selected by his own colleagues in NATO to seek additional ways of strengthening that organization as an instrument not of aggression but of defence against possible aggression from any quarter?

No, Mr. Speaker; we were forced to give support to the idea of NATO not because we lacked faith in the United Nations, not because we lacked faith in the commonwealth, but because it was not possible in the United Nations to get the amount of force collectivized for given situations which we considered vitally necessary. And this was the result of the attitude which the Soviet union took as late as 1947, and in which it has persisted ever since. That was why the North Atlantic Treaty Organization came into being. It was not because we did not have an appreciation of the United Nations as a force for good and peace in the world; it was not because we deprecated the value of the commonwealth. It was simply because we recognized that because of the character of the world as we found it then, and as it is now, there was no other course open to us. It is wrong to suggest that because we now give support to the United Nations that is our only concern. No man does himself justice when he says that because of our advocacy of the United Nations we have lost faith in any other association of nations with which we have had close collaboration.

Mr. Rowe: Why not call a conference?

Mr. Martin: My hon. friend says why not call a conference? The British commonwealth of nations is an organization of closely-knit members who have so much in common, and these links are essential for holding together those nations in the commonwealth and outside who recognize the nature of the gulf between themselves and those countries controlled by communism, or dominated by the Soviet union or by any other group of communist countries. Mr. Speaker, it is not desirable in my judgment if we would ease existing tensions; it is not in my judgment in the interest of the unity that prevails among commonwealth members and between close allies such as the United States, to suggest that our policies in the past months have been directed to purposes that would destroy the commonwealth or the friendship we have with certain countries whose existence or power is essential at this time for the preservation not only of the commonwealth, not only of the United States, not only of India but of all free peoples throughout the world.

Mr. Michener: Will the minister permit a question? I shall be very brief. I feel, Mr. Speaker, that the minister may not have covered the point which I would like to raise with him. In putting a value on these relationships—and I think the house agrees with that—he does not seem to have dealt with this difficulty . . .

Some hon. Members: Question.

Mr. Michener: Does the minister not see some conflict between our relationship with our commonwealth friends and the action the government took in using the United Nations as an alternative; and was the choice of the United Nations not the choice of an imperfect instrument for the job that had to be done?

Mr. Martin: My hon. friend is a better student than I am of the charter of the United Nations, and I am sure he knows that the course taken by us was taken in full conformity with the solemn obligation we gave when we signed that charter.

Mr. G. H. Castleden (Yorkton): Mr. Speaker, in the closing minutes of what is probably the last debate on the speech from the throne in this parliament, I intend to speak about the economic condition of the people in the area of that part of Canada which I have the honour to represent.

Today many of the producers in that part of Canada are bankrupt, and the people in the communities and cities are facing an economic slump. I wish to discuss this matter very briefly, and to close in time to give the government an opportunity to reply to an amendment I propose to move at the close of my remarks.

The cause of the economic conditions in that part of Canada is the extent to which the cost of living has been allowed to rise in recent years, seriously affecting the producers' operating costs. Each year costs of operation of the agricultural producers have spiralled until today, with decreasing returns, they are facing bankruptcy, as I have said. Every other business in Canada affected by increasing costs of operation merely passes on those increased costs in the form of increased prices to the consumer.

The Liberal government is solely responsible for the present spiral in the cost of living. I well recall when in the years following world war II the government proposed to lift price controls. We pleaded with them to leave the controls in force. We told them that if they took off price controls costs of living and costs of operation would spiral, and we would have an inflationary result in Canada that would ultimately bring about the ruination of the country. They replied, "Oh, well, there is nothing to fear; there may be a few increases in the cost of living, but the law of supply and demand will soon

operate and competition will come into play in such a way as to level off everything".

There has been no levelling off. The cost of living and the cost of operating have continued to increase year by year over the past 10 years. Either there is no competition, or the so-called law of supply and demand is not operating.

What I wish to emphasize, however, is that in Canada there is one industry which cannot pass on its increased costs of production to the consumer, and that industry is agriculture. No business can long continue to operate when its costs of operation are greater than the returns to the industry. In support of what I have said I am going to quote the words of the president of the Saskatchewan wheat pool when he recently referred to the condition of the farmers in the prairie area. At that time he said:

> The price he received for his grain and other agricultural products was too low to keep the average farmer out of debt. . . . The result is that many farmers are dipping into reserves to keep going while other farmers are accumulating debts which will be extremely difficult to pay at present prices.

Here is the ominous part of the whole situation. What of the future? Nothing has been done, nothing is being done to prevent the cost spiral from continuing. He went on to point out:

> The disparity between costs and prices will in all probability continue to have a serious effect on farm people throughout the coming year.

It is because of the emergency facing these farmers that I rise at this time to protest the existing situation and the do nothing policy of the present government. In fact it is even worse than that. As evidence of what is happening, may I say that young, efficient farmers by the hundreds are selling out and leaving the farms even in the very constituency of the Minister of Agriculture, who was sent here 20 years ago to take care of agriculture and look after that industry for Canada. A more deliberate ruination of agriculture can scarcely be imagined.

Since the government are responsible for this condition, one would have thought that at least they would have introduced some measures to alleviate the situation. At least a parity price program could have been introduced which would have maintained a proper relationship between the selling prices of the farmers' goods and their income on the one hand and their costs on the other. Then the farmer could survive. But the government has left the farmer to the mercies of a cost-price squeeze.

Agriculture is one industry which cannot control its sales or prices, and a parity price program is imperative if agriculture is to survive. The Liberal government and private Liberal members from Saskatchewan as well as the other prairie provinces, have always voted against a parity price program, and the prairie farmer is being left in a bankrupt state. Last year when cash advances were needed Liberal members voted against them. The government has failed to provide interior government storage for surplus grain in order to prevent spoilage, permit farm deliveries and give relief to the producers. The government has refused to do anything.

What contribution has the Minister of Agriculture made? In the face of the present deplorable condition of agriculture, for which he is responsible as minister, he continues to give the impression in the east and the west that farmers in the prairie areas are well off, in spite of every evidence to the contrary; and the minister knows it. He has not only failed to protect agriculture but has left agriculture open to the dangers of inflation. This misrepresentation of the actual conditions of the farmers of the west can only be described as one of the greatest betrayals of agriculture the history of Canada has ever known.

Millions of bushels of grain are wasting on the prairies. Millions of bushels of grain are piled in heaps or in bins open to the weather. If storage had been provided when the surplus accumulated this waste could have been prevented. This is the situation we have at a time when a billion people in Asia and Africa are hungry, people whose good will we need so badly. If the government had spent one-tenth of what it has spent on armaments, many of which are obsolete, on the feeding of these people and the promotion of peace we could have relieved the situation of the farmers and helped agriculture. The government continues to spend almost $2 billion a year on armaments and less than one-tenth of that amount in trying to promote peace and create good will.

In view of the fact that agriculture must have parity prices I move, seconded by the hon. member for The Battlefords (Mr. Campbell), the following amendment:

> That the motion be amended by adding the following words to the said address:
>
> "We regret, however, that Your Excellency's advisers seem to favour a flexible price support program, the effect of which is to leave the agricultural industry in a state of uncertainty and insecurity; we also regret that Your Excellency's advisers have failed to take the necessary steps to establish a system of parity prices for agricultural products at levels to ensure 100 per cent parity of income for agricultural producers."

Mr. R. E. Reinke (Hamilton South): Mr. Speaker, I rise on this occasion to speak very briefly on two or three matters that are of paramount interest to myself, to the people

of my constituency and to Canada as a whole. First of all may I sincerely congratulate the mover (Mr. Hanna) and seconder (Mr. Robichaud) of the address in reply to the speech from the throne. Both these hon. gentlemen lived up to past traditions in that respect.

One of my reasons for speaking at this time is to pay tribute to my friend the late Mr. Ross, former member for Hamilton East. I know that when parliament assembled last November the usual eulogies were expressed, but I do wish to pay my respects on behalf of the people of his constituency and of Hamilton. Mr. Ross was one of those persons who very seldom spoke in the house, but our people back home appreciated a quality in him which was much more important, that of getting things done. I wish he could have been here yesterday when the estimates were tabled to see the results of some of his endeavours. I wish to thank the Minister of Public Works and the government for their understanding of our problems in Hamilton and their confidence in the future of our expanding city.

This year, according to the 1957-58 estimates just tabled, the Department of Public Works will be spending $1,700,000 for harbour improvements and developments. These expenditures have been brought about to a great degree by the tenacity with which the late Mr. Ross represented Hamilton East. For the information of hon. members I might also add that while this large amount is to be spent in Hamilton, the benefits will be felt throughout the surrounding area over the next few years. Hamilton is the hub of shipping for this area. We rank third in all Canada for tonnage shipped. It is the hub for such cities as Niagara Falls, St. Catharines, Guelph and so on. Once again, as I have said, we have broken the tonnage record for Hamilton.

I now wish to say just a word about another matter of great importance. Many members of this house have spoken about an increase in pension for the old age pensioner. I have subscribed to this measure from the day I first arrived here, and I am pleased that this worth-while cause has caught fire. This is a problem of interest to everyone. We all expect to be senior citizens some day. The welfare of our senior citizens is everyone's business. Life expectancy is increasing, so it is becoming more and more necessary that greater attention be paid to this group. I believe an increase at this time will greatly enhance the opportunity for full employment, in which the government has always been interested. It will put more money in circulation, will cause more goods to be consumed in Canada, and will contribute toward a more orderly distribution.

I do not believe that by increasing the old age pension any incentive to thrift or economy will be lost. On the contrary, every dollar paid to old age pensioners will be spent on goods and services, and will help create a better standard of living for others. It is indeed demoralizing in our economic and social system to have one group of people live under stringent circumstances. I realize, of course, that an increase in the old age pension will present a problem to our government. According to our estimates, just tabled, family allowance payments in 1957-58 will amount to $412,265,000; old age security payments for 1957-58 will amount to $392,536,000, making nearly $805 million for these two important items alone.

An increase of $20 per month would bring our expenditure for old age security to nearly $600 million, or the two combined to nearly $1 billion, almost 20 per cent of our total budget. But I believe most Canadian citizens are anxious to pay for these allowances, and when I say "most" I include persons in both high and low income brackets. I have not had one complaint about the 2 per cent deduction added to personal income tax for this purpose, and if necessary I am sure the average person would gladly pay 3 per cent to give our older folks a better life.

I feel, however, that some of our provinces have been rather shoddy in their approach to this problem of assistance to our aged. I believe that people today are expecting more in the way of security, and are prepared and anxious to pay for it. In an article appearing in the Ottawa *Journal* of yesterday I notice that reference is made to the new tax-free pensions in Germany. I have not time to read the article now, but just briefly it indicates that under present economic conditions there, a man retiring after 40 years of work would get a tax-free pension of up to $110 a month, the equivalent in purchasing power of about $220 here. The amount would increase in the case of inflation. The opposition socialists say the plan does not go far enough. Of course I suppose socialists, like our friends opposite, are the same anywhere in the world. It seems to me that this is a comprehensive type of plan and one which we probably could not extend that far.

On a former occasion, Mr. Speaker, I spoke rather elaborately about the national health insurance plan. I do not propose to deal with that matter at this time, except to say that in view of the generous proposal made by this government for a plan which will cover

all Canadians I think it is a shame that at least one of the two larger provinces does not accept the proposal. I hope the people of Canada, and particularly those in the provinces of Ontario and Quebec, realize that without this acceptance by one or the other of these largest provinces we cannot have a majority of Canadians participating, and the rest of Canada is to suffer as a result.

The Acting Speaker (Mr. Applewhaite): Is the house ready for the question?

Some hon. Members: Question.

The house divided on the amendment (Mr. Castleden) which was negatived on the following division:

YEAS

Messrs:

Argue
Barnett
Blackmore
Bryson
Cameron (Nanaimo)
Campbell
Castleden
Ellis
Gillis
Hahn
Hansell
Herridge
Holowach
Johnson (Kindersley)
Jones
Knight
Knowles
Leboe
Low
McCullough (Moose Mountain)
McLeod
Nicholson
Patterson
Quelch
Regier
Shaw
Smith (Battle River-Camrose)
Stewart (Winnipeg North)
Winch
Wylie
Yuill—31.

NAYS

Messrs:

Aitken (Miss)
Anderson
Applewhaite
Arsenault
Ashbourne
Batten
Beaudry
Bell
Benidickson
Bennett
Blair
Blanchette
Boisvert
Boivin
Bonnier
Bourget
Breton
Brisson
Brown (Brantford)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cannon
Cardiff
Cardin
Caron
Carrick
Carter
Casselman
Cavers
Churchill
Cloutier
Crestohl
Dechene
Demers
Denis
Deschatelets
Deslieres
Dickey
Diefenbaker
Dinsdale
Dumas
Dupuis
Enfield
Eudes
Fairclough, Mrs.
Fairey
Fleming
Follwell
Fontaine
Forgie
Fraser (Peterborough)
Fulton
Gagnon
Garland
Gauthier (Lake St. John)
Gauthier (Portneuf)
Gingues
Girard
Goode
Gour (Russell)
Gourd (Chapleau)
Green
Gregg
Habel
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Hanna
Hardie
Harkness
Harris
Harrison
Hees
Hellyer
Henderson
Hollingworth
Hosking
Houck
Howe (Wellington-Huron)
Huffman
Hunter
James
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Lavigne
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Lennard
Lesage
Lusby
Macdonnell
MacEachen
MacLean
MacNaught
Macnaughton
McBain
McCann
McCubbin
McCulloch (Pictou)
McGregor
McIlraith
McIvor
McMillan
McWilliam
Mang
Martin
Masse
Matheson
Menard
Meunier
Michaud
Michener
Mitchell (Sudbury)
Monette
Monteith
Montgomery
Murphy (Lambton West)
Murphy (Westmorland)
Nickle
Nixon
Pallett
Philpott
Pickersgill
Pinard
Pommer
Poulin
Power (Quebec South)
Power (St. John's West)
Proudfoot
Purdy
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Rochefort
Rouleau
Rowe
Roy
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Simmons
Sinclair
Smith (York North)
Stanton
Starr
Stick
Stuart (Charlotte)
Studer
Thatcher
Thibault
Tucker
Van Horne
Villeneuve
Weaver
Weir
Weselak
White (Middlesex East)
White (Waterloo South)
Winters—173.

Mr. Speaker: I declare the amendment lost.

The house divided on the motion (Mr. Hanna) which was agreed to on the following division:

YEAS

Messrs:

Anderson
Applewhaite
Arsenault
Ashbourne
Batten
Beaudry
Benidickson
Bennett
Blanchette
Boisvert
Boivin
Bonnier
Bourget
Breton
Brisson
Brown (Brantford)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cannon
Cardin
Caron
Carrick
Carter
Cavers
Cloutier
Cresthol
Dechene

Demers
Denis
Deschatelets
Deslieres
Dickey
Dumas
Dupuis
Enfield
Eudes
Fairey
Follwell
Fontaine
Forgie
Garland
Gauthier (Lake St. John)
Gauthier (Portneuf)
Gingues
Goode
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hanna
Hardie
Harris
Harrison
Hellyer
Henderson
Hollingworth
Hosking
Houck
Huffman
Hunter
James
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Lavigne
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Lesage
Lusby
MacEachen
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McIlraith
McIvor
McMillan
McWilliam
Mang
Martin
Masse
Matheson
Menard
Meunier
Michaud
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Nixon
Philpott
Pickersgill
Pinard
Pommer
Power (Quebec South)
Power (St. John's West)
Proudfoot
Purdy
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Rochefort
Rouleau
Roy
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Simmons
Sinclair
Smith (York North)
Stick
Stuart (Charlotte)
Studer
Thatcher
Thibault
Tucker
Villeneuve
Weaver
Weir
Weselak
White (Waterloo South)
Winters—136.

NAYS

Messrs:

Aitken, Miss
Argue
Barnett
Bell
Blackmore
Blair
Bryson
Cameron (Nanaimo)
Campbell
Cardiff
Casselman
Castleden
Churchill
Diefenbaker
Dinsdale
Ellis
Fairclough, Mrs.
Fleming
Fraser (Peterborough)
Fulton
Gagnon
Gillis
Girard
Green
Hahn
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Hansell
Harkness
Hees
Herridge
Holowach
Howe (Wellington-Huron)
Johnson (Kindersley)
Johnston (Bow River)
Jones
Knight
Knowles
Leboe
Lennard
Low
Macdonnell
MacLean
McBain
McCullough (Moose Mountain)
McGregor
McLeod
Michener
Monteith
Montgomery
Murphy (Lambton West)
Nesbitt
Nicholson
Nickle
Pallett
Patterson
Poulin
Quelch
Regier
Rowe
Shaw
Small
Smith (Battle River-Camrose)
Stanton
Starr
Stewart (Winnipeg North)
Tustin
Van Horne
White (Hastings-Frontenac)
White (Middlesex East)
Winch
Yuill—72.

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

That the address be engrossed and presented to His Excellency the Governor General by such members of this house as are of the honourable the privy council.

Motion agreed to.

SUPPLY

APPOINTMENT OF COMMITTEE

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

That this house will, at its next sitting, resolve itself into a committee to consider of the supply to be granted to Her Majesty.

Motion agreed to.

WAYS AND MEANS

APPOINTMENT OF COMMITTEE

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

That this house will, at its next sitting, resolve itself into a committee to consider of the ways and means for raising the supply to be granted to Her Majesty.

Motion agreed to.

MAIN ESTIMATES, 1957-58

REFERENCE TO COMMITTEE OF SUPPLY

Hon. W. E. Harris (Minister of Finance) moved:

That the messages of His Excellency the Governor General, together with the main estimates 1957-8, and further supplementary estimates (2) 1956-7, presented January 22, 1957, be referred to the committee of supply.

Motion agreed to.

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

Questions

ANSWERS TO QUESTIONS

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

TRANS-CANADA HIGHWAY PAYMENTS, NOVA SCOTIA

Question No. 26—**Mr. Kirk (Antigonish-Guysborough):**

1. How much has been paid by the federal government to the government of Nova Scotia under the Trans-Canada Highway Act?
2. Has the government of Nova Scotia signed a new agreement under the 1956 amendment to the act?
3. If so, (a) on what date; (b) what route is specified; (c) what "gap" has been designated?

Answer by: **Mr. Bourget, Parliamentary Assistant, for the Minister of Public Works:**

1. $1,097,639.31 to January 12, 1957.
2. Yes.
3. (a) September 4, 1956.

(b) Generally from the New Brunswick-Nova Scotia border to Oxford; thence via route 4 to Sutherland river; thence via Merigomish, Arisaig and Antigonish to the strait of Canso, crossing the strait via the causeway to Port Hastings; and thence via Whycocomagh and Baddeck to the Newfoundland ferry terminal at North Sydney. The trans-Canada highway in Nova Scotia shall also include that portion of highway from the junction of the West River-Pictou road at route 4, to Pictou, and thence to the Prince Edward Island ferry terminal at Caribou.

(c) No "gap" section has been designated to date.

SUEZ CRISIS—EGYPTIAN REPRESENTATIONS RESPECTING EMERGENCY FORCE

Question No. 42—**Mr. Poulin:**

Does the Canadian government have any information to the effect that, during the Suez crisis last fall, the prime minister of Egypt, or someone on his behalf or on behalf of his government, made representations through diplomatic channels or otherwise, including the United Nations Organization and the officer commanding the international police force, concerning (a) the uniform to be worn by a group of Canadian servicemen about to join the international police force; (b) the flag such group would fly?

Answer by: **Mr. Cardin, Parliamentary Assistant, for the Secretary of State for External Affairs:**

The answer to both these questions is "No". We have been informed that during the discussions last November, between the Secretary General of the United Nations and the government of Egypt, reference was made to the similarity in the uniform worn by Canadian troops to that worn by British forces, as a possible source of misunderstanding on the part of the Egyptian public. There were no representations, however, that Canadian troops participating in the United Nations emergency force would wear anything but their own uniforms together with the distinctive arm bands and headgear that were to be worn by all members of UNEF. Also, on the question of flags, there have been no representations to the Canadian government by or on behalf of the government of Egypt. The force as a whole, of course, operates under the United Nations flag, which is flown at the various headquarters and camps. National flags are, however, also flown on appropriate occasions and regulations governing this practice are being formalized by the United Nations authorities.

INDIAN AFFAIRS—TAX COLLECTIONS

Question No. 55—**Mr. Holowach:**

What was the total amount of (a) income taxes; (b) succession duties, collected from Indians on reserves for the years 1953, 1954 and 1955?

Answer by: **Hon. J. J. McCann (Minister of National Revenue):**

No statistical information available.

HOUSE OF COMMONS

Thursday, January 24, 1957

The house met at 2.30 p.m.

STANDING COMMITTEES

Mr. W. G. Weir (Portage-Neepawa) presented the report of the special committee appointed to prepare and report lists of members to compose the standing committees of the house, as follows:

PRIVILEGES AND ELECTIONS

Messrs:

Bourque
Bryson
Cardin
Carter
Cavers
Churchill
Dechene
Dickey
Ellis
Fraser (Peterborough)
Hollingworth
Leboe
Lefrançois
MacKenzie
McWilliam
Meunier
Nowlan
Pallett
Perron
Rea
Richard (Ottawa East)
Shaw
Simmons
Tucker
Valois
Viau
Vincent
White (Waterloo South)
Zaplitny—29.

(Quorum—10)

RAILWAYS, CANALS AND TELEGRAPH LINES

Messrs:

Anderson
Barnett
Batten
Bonnier
Boucher
Buchanan
Byrne
Campbell
Carter
Casselman
Cauchon
Cavers
Clark
Decore
Deschatelets
Dufresne
Dupuis
Ellis
Follwell
Gagnon
Garland
Goode
Gourd (Chapleau)
Green
Habel
Hahn
Hamilton (York West)
Harrison
Healy
Herridge
Hodgson
Holowach
Hosking
Howe (Wellington-Huron)
Huffman
James
Johnston (Bow River)
Kickham
Lafontaine
Langlois (Gaspe)
Lavigne
Leboe
Maltais
McBain
McCulloch (Pictou)
McIvor
Meunier
Murphy (Westmorland)
Murphy (Lambton West)
Nesbitt
Nicholson
Nickle
Nixon
Nowlan
Purdy
Small
Viau
Villeneuve
Vincent
Weselak—60.

(Quorum—20)

MISCELLANEOUS PRIVATE BILLS

Messrs:

Anderson
Balcom
Batten
Blair
Brooks
Brown (Brantford)
Cameron (High Park)
Campbell
Carter
Casselman
Decore
Dinsdale
Ellis
Enfield
Eyre
Fairey
Ferguson
Follwell
Forgie
Garland
Girard
Hansell
Hees
Henderson
Houck
Langlois (Berthier-Maskinonge-Delanaudiere)
Leduc (Jacques Cartier-Lasalle)
Lennard
Lusby
Macnaughton
Mang
Matheson
McCubbin
McCullough (Moose Mountain)
McWilliam
Murphy (Westmorland)
Perron
Pommer
Proudfoot
Regier
Reinke
Roberge
Roy
Simmons
Thomas
Weaver
White (Waterloo South)
White (Hastings-Frontenac)
White (Middlesex East)
Wylie—50.

(Quorum—15)

BANKING AND COMMERCE

Messrs:

Argue
Ashbourne
Balcom
Bell
Benidickson
Bennett
Blackmore
Cameron (Nanaimo)
Cannon
Crestohl
Deslieres
Dumas
Enfield
Eudes
Fairey
Fleming
Follwell
Fraser (St. John's East)
Fraser (Peterborough)
Fulton
Gour (Russell)
Hanna
Henderson
Hollingworth
Hosking
Huffman
Hunter
Johnson (Kindersley)
Low
Macdonnell
MacEachen
Macnaughton
Matheson
Michener
Mitchell (London)
Monteith
Nickle
Pallett
Philpott
Power (Quebec South)
Quelch
Richardson
Robichaud
Rouleau
St. Laurent (Temiscouata)
Stewart (Winnipeg North)
Thatcher
Tucker
Viau
Weaver—50

(Quorum—15)

PUBLIC ACCOUNTS

Messrs:

Anderson
Argue
Ashbourne
Balcer
Balcom
Beaudry
Boisvert
Breton
Bruneau
Byrne
Cameron (High Park)
Cannon
Cavers
Cloutier
Denis
Fulton
Goode
Hamilton (Notre Dame de Grace)
Hanna
Harkness
Henderson
Hollingworth
Holowach
Houck
Kickham
Kirk (Antigonish-Guysborough)

Standing Committees

Laflamme
Leduc (Jacques Cartier-Lasalle)
Maltais
McGregor
McLeod
McWilliam
Menard
Mitchell (Sudbury)
Mitchell (London)
Monteith
Nowlan
Pommer
Poulin
Power (St. John's West)
Proudfoot
Regier
Rowe
Schneider
Thomas
Tucker
Van Horne
Weaver
Winch
Zaplitny—50

(Quorum—15)

AGRICULTURE AND COLONIZATION

Messrs:

Anderson
Argue
Batten
Blackmore
Boucher
Bruneau
Bryce
Byrne
Cardiff
Charlton
Clark
Decore
Demers
Deslieres
Dinsdale
Fontaine
Forgie
Gingras
Goode
Gour (Russell)
Harkness
Huffman
James
Jones
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Laflamme
Legare
Lusby
MacKenzie
MacLean
Mang
Masse
Matheson
McBain
McCubbin
McCullough (Moose Mountain)
Menard
Michaud
Montgomery
Murphy (Westmorland)
Nicholson
Patterson
Perron
Pommer
Proudfoot
Purdy
Quelch
Roberge
Robinson (Bruce)
Schneider
Smith (Battle River-Camrose)
Stanton
Studer
Thatcher
Tustin
Villeneuve
White (Waterloo South)
White (Middlesex East)—60

(Quorum—20)

STANDING ORDERS

Messrs:

Aitken, Miss
Buchanan
Carter
Denis
Fairey
Fontaine
Forgie
Green
Hanna
Harrison
Hollingworth
Knowles
Michaud
Monette
Robinson (Bruce)
Rochefort
Shaw
Van Horne
Viau
Winch—20.

(Quorum—8)

MARINE AND FISHERIES

Messrs:

Anderson
Arsenault
Ashbourne
Barnett
Bell
Bennett
Boivin
Brisson
Bryce
Cameron (Nanaimo)
Cannon
Ferguson
Goode
Hahn
Hardie
Harrison
Henderson
Hodgson
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
MacLean
MacNaught
Maltais
Matheson
McDonald
Nowlan
Patterson
Pearkes
Robichaud
Simmons
Stick
Stuart (Charlotte)
Thibault
Weselak
White (Hastings-Frontenac)—35.

(Quorum—10)

MINES, FORESTS AND WATERS

Messrs:

Brisson
Brooks
Buchanan
Byrne
Carter
Dickey
Dumas
Eyre
Garland
Gauthier (Nickel Belt)
Hardie
Harkness
Herridge
Hosking
LaCroix
Lafontaine
Leboe
Leduc (Gatineau)
MacLean
McCullough (Moose Mountain)
Mitchell (Sudbury)
Pearkes
Ratelle
Richard (St. Maurice-Lafleche)
Robichaud
Rowe
Shipley, Mrs.
Simmons
Smith (Battle River-Camrose)
Stanton
Studer
Valois
Van Horne
Weselak
Winch—35.

(Quorum—10)

INDUSTRIAL RELATIONS

Messrs:

Barnett
Bell
Brown (Brantford)
Brown (Essex West)
Byrne
Cauchon
Churchill
Cloutier
Deschatelets
Dufresne
Fairclough, Mrs.
Fraser (St. John's East)
Gauthier (Nickel Belt)
Gauthier (Lake St. John)
Gillis
Hahn
Hardie
Hosking
Huffman
Johnston (Bow River)
Knowles
Leduc (Verdun)
Lusby
MacEachen
Michener
Murphy (Westmorland)
Nixon
Philpott
Richardson
Rouleau
Small
Starr
Studer
Viau
Vincent—35.

(Quorum—10)

DEBATES

Messrs:

Balcer
Enfield
Hees
Jutras
McLeod
Meunier
Michaud
Nicholson
Power (St. John's West)
Purdy
Rowe
Simmons—12.

(Quorum—7)

EXTERNAL AFFAIRS

Messrs:

Arsenault
Balcer
Bell
Boisvert
Breton
Cameron (High Park)
Cannon
Cardin
Coldwell
Crestohl
Decore
Fleming

Garland	Macnaughton
Gauthier (Lake St. John)	McMillan
Goode	Montgomery
Henry	Pallett
Herridge	Patterson
James	Pearkes
Jutras	Richard (Ottawa East)
Knowles	Starr
Low	Stick
Lusby	Stuart (Charlotte)
MacEachen	Studer—35.
MacKenzie	

(Quorum—10)

Mr. Weir moved that the report be concurred in.

Motion agreed to.

POWERS OF COMMITTEES

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

That the standing committees of this house shall severally be empowered to examine and inquire into all such matters and things as may be referred to them by the house; and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

Motion agreed to.

PRINTING OF PARLIAMENT

Mr. W. G. Weir (Portage-Neepawa) moved:

That a message be sent to the Senate to acquaint Their Honours that this house will unite with them in the formation of a joint committee of both houses on the subject of the printing of parliament, and that the following members, namely: Messrs. Ashbourne, Bertrand, Blair, Boivin, Bonnier, Brown (Brantford), Bryson, Campbell, Cardiff, Charlton, Dechene, Dickey, Fairclough, Mrs., Fairey, Fontaine, Gauthier (Nickel Belt), Gingras, Girard, Gour (Russell), Habel, Hansell, Healy, Hodgson, Houck, Howe (Wellington-Huron), Huffman, James, Johnson (Kindersley), Kickham, Langlois (Berthier-Maskinonge-Delanaudiere), Leduc (Jacques Cartier-Lasalle), Lefrançois, MacEachen, Maltais, Mang, McGregor, McIvor, McWilliam, Patterson, Pommer, Rea, Regier, Robinson (Bruce), Rochefort, Schneider, Simmons, Small, Smith (York North), Stanton, Stick, Thibault, Weaver, Wylie and Zaplitny will act as members on the part of this house on the said joint committee on the printing of parliament.

Motion agreed to.

LIBRARY OF PARLIAMENT

Mr. W. G. Weir (Portage-Neepawa) moved:

That a message be sent to the Senate to acquaint Their Honours that this house has appointed Messrs. Bertrand, Bourque, Brown (Essex West), Castleden, Coldwell, Dechene, Dinsdale, Fairey, Fraser (St. John's East), Fraser (Peterborough), Gingues, Gourd (Chapleau), Habel, Hamilton (York West), Hansell, Hellyer, Henderson, Hosking, Howe (Wellington-Huron), Hunter, Jones, Jutras, Kirk (Shelburne-Yarmouth-Clare), Knight, LaCroix, Leduc (Gatineau), Legare, Lennard, McCulloch (Pictou), McGregor, McWilliam, Philpott, Pickersgill, Ratelle, Reinke, Robinson (Bruce), Shaw, Small, Smith (York North), Smith (Battle River-Camrose), Thibault, Tucker, Weselak and White (Middlesex East), a committee to assist His Honour the Speaker in the direction of the library of parliament so far as the interests of the House of Commons are concerned, and to act on behalf of the House of Commons as members of a joint committee of both houses on the library.

Motion agreed to.

PARLIAMENTARY RESTAURANT

Mr. W. G. Weir (Portage-Neepawa) moved:

That a message be sent to the Senate to acquaint Their Honours that this house has appointed Miss Aitken, Messrs. Buchanan, Caron, Castleden, Ferguson, Gauthier (Nickel Belt), Gingues, Gour (Russell), Hardie, Harkness, MacNaught, Mang, Masse, McGregor, Michaud, Monette, Pommer, Richard (Ottawa East), Shipley, Mrs., Simmons, Stewart (Winnipeg North), Stick, White (Hastings-Frontenac), and Yuill, to assist His Honour the Speaker in the direction of the parliamentary restaurant, so far as the interests of the House of Commons are concerned, and to act on behalf of the House of Commons as members of a joint committee of both houses on the restaurant.

Motion agreed to.

TRADE

UNITED STATES DISPOSAL POLICY—PROTESTS BY CANADA

On the orders of the day:

Mr. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce arising out of the report of a speech he made last evening at the Seigniory club with regard to what was described as the rough disposal policy of the United States? It had to do with the fire sale, give-away policy with respect to agricultural products and in particular wheat.

I should like to ask the minister this question. When was the last protest made to the United States against this type of disposal program, which violates GATT and the resolution of FAO, and what reply was received to that latest protest? Was the protest in writing? If so, would the minister table that protest and the reply?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the two governments have appointed a continuing committee of senior civil servants of both governments to deal with these matters. The committee meets from time to time. I think the last meeting was some two or three weeks ago. Protests are filed through that committee, and sometimes remedial action is taken. Protests, I may say, are sometimes filed in both directions. In any event we find that committee has been useful as a means of conveying our protests, and has had some effect in discouraging certain policies to which we in Canada take strong objection. There is nothing to table. We do not file our protests in writing; we file them through the committee.

Inquiries of the Ministry

Mr. Diefenbaker: Would the minister say what changes have been made in consequence of the complaints that have been made to the United States government through this committee? Would the minister also say what is being done so that Canada may recover her position as the leading exporter of wheat, a position which has been seriously endangered as a result of United States action?

Mr. Howe (Port Arthur): Mr. Speaker, to discuss in parliament the subject matters that are dealt with by the committee would be to destroy the usefulness of the committee.

An hon. Member: What usefulness?

Mr. Howe (Port Arthur): I do not know that it is particularly in the public interest to discuss the kind of transactions we object to. Certain transactions we do object to; but to single them out and discuss them on the floor of the house would, as I say, seriously prejudice the future of the continuing committee.

Mr. Diefenbaker: Mr. Speaker, if I might follow up that matter I should like to do so. The making of an announcement outside of the house is much worse than making it in the house. I wanted to get particulars. Possibly I shall direct my question to the Prime Minister in order to get information on this matter. I ask him whether when he last met President Eisenhower and brought to the President's attention the serious situation brought about by the trade balance between Canada and the United States, which caused shock to the President when he found it out, he also let the President know how utterly unjust and unfair it is for the United States to carry on this disposal policy to the detriment of fair competition on the part of Canada?

Right Hon. L. S. St. Laurent (Prime Minister): I cannot assure the hon. gentleman that I used the language he has just used in his question, but I did make it quite clear to the President that we endeavour to have as good relations as possible with his great country in trade policies as well as in other policies, and I found that he was disposed to do everything he could under the circumstances to conserve that state of good relations and the feeling among the populations of the two countries that we were endeavouring to be of as great help to each other as possible.

Mr. H. R. Argue (Assiniboia): May I ask a supplementary question of the Prime Minister. Has the Canadian government considered any new policies for the disposal of Canadian wheat, such as accepting local currency, as I understand the United States is doing in the case of India in connection with a contract for the sale of 120 million bushels of wheat over a three-year period?

Mr. St. Laurent (Quebec East): In spite of our admiration for our neighbours to the south there are some of their policies we do not take as examples of proper policies for Canada.

Mr. Argue: The question is this. Is the Canadian government considering any additional policies for the sale of Canadian wheat other than the current policy of accepting dollars?

Mr. St. Laurent (Quebec East): The Canadian government is always considering what policies will be the most effective, and it is continuing to do so. As soon as there is any important change decided upon it will be announced to the house.

Mr. George H. Hees (Broadview): May I ask a supplementary question of the Minister of Trade and Commerce, in view of his answer to the Leader of the Opposition. He said in his answer that he thought this question was of little public interest. Does he think there is anything of greater public interest to the producers whose sales are being adversely affected by these unfair trade practices being put into effect by the United States?

Mr. Howe (Port Arthur): The hon. member failed to understand my answer, and I am not surprised.

Mr. Hees: I am sure I did not fail to understand, and if I did would the Minister of Trade and Commerce please give his answer again so I can understand it.

Mr. Howe (Port Arthur): My hon. friend can read it in *Hansard* tomorrow.

[*Later:*]

Mr. John B. Hamilton (York West): I should like to direct a question to the Minister of Trade and Commerce supplementary to the question asked by my leader. I will have to take my chance, Mr. Speaker, with respect to whether I understood his answers any better than the hon. member for Broadview. Is the minister now stating as government policy that it is no longer in the public interest to let the people of the country know what case is being put forward on their behalf in negotiations with foreign powers on trade matters?

Mr. Howe (Port Arthur): The answer, Mr. Speaker, is no.

Mr. Hamilton (York West): What exactly did the minister mean when he answered the question originally?

Mr. Howe (Port Arthur): Mr. Speaker, I seem to have satisfied the hon. leader who asked the question. I thought that was doing fairly well.

Mr. Hees: Mr. Speaker, I should like to tell the minister that he did not satisfy me any more than he has satisfied me on previous occasions, but I am getting so used to the usual government mumbo-jumbo with respect to answering questions that I did not pursue it.

[*Later:*]

Mr. J. M. Macdonnell (Greenwood): I wish to ask a supplementary question of the Minister of Trade and Commerce, at whatever risk I do so. Did the minister not say that in view of the fact that there was a committee of civil servants considering this particular question it was not desirable that the matter should be discussed or information given in the house?

Mr. Howe (Port Arthur): Yes, that is correct. The committee meets in camera, and to discuss any matter that has been referred to the committee would impair and probably destroy its future usefulness.

Mr. Macdonnell: Does that leave us in the situation that whenever a committee of civil servants is appointed to discuss a matter, we in this house must regard it as something that we cannot discuss?

Mr. St. Laurent (Quebec East): Mr. Speaker, is that an urgent question to be put on the orders of the day?

Some hon. Members: Yes.

Mr. Fleming: It is most important.

Mr. St. Laurent (Quebec East): I suggest to you, sir, that the rules you used to apply should continue to be applied in the case of questions that are put on the orders of the day.

Mr. Diefenbaker: Mr. Speaker, on a question of privilege—

Some hon. Members: Oh, oh.

Mr. Speaker: Order.

Mr. Diefenbaker: —does the Prime Minister not believe that parliament has a right to hear? Is everything to be hidden under the new policy or the continuation of the old one that is being followed—

Some hon. Members: Oh, oh.

An hon. Member: Questions for one hour every day.

Mr. Diefenbaker: —by the government, of concealing all information that it does not want parliament or the people to have? I do protest against the suggestion of the Minister of Trade and Commerce that when a matter is submitted to civil servants it shall not be submitted to parliament.

Mr. St. Laurent (Quebec East): If the hon. gentleman reads what was being talked about before he rose and reads his own remarks, he will find how inappropriate they are to what has been the subject of discussion.

Mr. Diefenbaker: They are very appropriate. Hide everything. That is the game.

HEALTH INSURANCE

REPORTED PROSPECTIVE INTRODUCTION OF LEGISLATION BY ONTARIO

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare based on a long-distance phone call from Toronto just a few minutes ago. Is the minister aware that this afternoon's edition of the Toronto *Telegram* carries a report that on Monday Premier Frost will make an announcement, and that on Tuesday he will introduce legislation implementing Ontario's agreement with Ottawa with respect to the federal government's hospitalization insurance program? Is the minister aware that this report says that certain modifications have been made in the proposal put forward by the federal government last year? Can the minister comment on this report now that it is out in public?

Hon. Paul Martin (Minister of National Health and Welfare): At first I thought my hon. friend was going to say that Premier Frost had telephoned him. I am relieved to know that the undoubted friendly qualities of my hon. friend do not extend that far. As a matter of fact the hon. member for Parkdale has just come to me to give notice of his desire to ask the same question.

Mr. Hees: Why not ask the question for him?

Mr. Martin: I am not aware of such a story except from what I have been told by the two hon. gentlemen. I can only say now that there has been correspondence between the premier of Ontario and the Prime Minister of Canada in this matter and

that there have been discussions between Premier Frost and myself, between his officials and our officials, and that as a result the premier of Ontario did write to inquire whether or not a particular plan that he had in mind would come, in our judgment, within the scope of the federal proposals which were made to the provinces in the matter of a diagnostic and hospital insurance program.

At the end of his letter the premier asked that the communications between the two governments in this matter should not be disclosed until mutual arrangements for disclosure had been made. Until Premier Frost and I have made arrangements for the disclosure of this correspondence I would not feel that I could disclose the correspondence to the house, but I can say, without in any way revealing the contents of this correspondence, that if the premier of Ontario is prepared to do what he has indicated, then it would seem that we have made substantial progress toward the acceptance of the proposal made by the federal government.

Mr. Knowles: May I ask the minister a supplementary question. In the light of the hopeful announcement he has now made, is the minister still as strong as he was last year in his adherence to the principle of universal coverage in any hospital insurance program? He will recall that he had our strong support last year in his adherence to that principle.

Mr. Martin: I think, having in mind the pursuit of this desirable objective, my hon. friend ought to restrain his curiosity until the disclosures have been made.

Mr. Knowles: May I ask the minister another supplementary question. Are similar discussions in progress between this government and other provincial governments, such as the government of Manitoba?

Mr. Martin: As I said the other day, most of the provinces have, in my judgment, seriously examined and are seriously examining the proposal we put forward. One premier, as I indicated a short time ago, was in Ottawa only the day before yesterday, partly in this connection. I myself have had discussions with a number of premiers and ministers of health and these discussions are continuing.

HEALTH AND WELFARE

REQUEST FOR FREE VOTE IN HOUSE ON INCREASED PAYMENTS

On the orders of the day:

Mr. E. G. Hansell (Macleod): Mr. Speaker, I should like to direct a question to either the Prime Minister or the Minister of National Health and Welfare. Since the throne speech debate has now been disposed of, and since many members on the government side of the house advocated increases in old age security payments and family allowances, will the government now make it possible for the house to have a free vote on whether or not it is the desire of the people of Canada to have pensions and family allowances increased?

Right Hon. L. S. St. Laurent (Prime Minister): I think I should answer that question. I think it would be an extremely bad precedent for the government to ask the house by a free vote to take the responsibility, which is the government's, to recommend what should be done in respect of the expenditure of public funds.

PUBLIC BUILDINGS

PETERBOROUGH—INQUIRY AS TO USE OF OLD POST OFFICE

On the orders of the day:

Mr. G. K. Fraser (Peterborough): Mr. Speaker, I should like to address a question to the Minister of Public Works. Is any department of the government going to use the old post office building in Peterborough? If not, what is the government going to do with that vacant building?

Mr. Knowles: It will be used as Liberal headquarters in the next election.

Hon. Robert H. Winters (Minister of Public Works): May I take the question as notice, Mr. Speaker?

POULTRY

REQUEST FOR MODIFICATION OF INSPECTION REGULATIONS

On the orders of the day:

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, I should like to address a question to the Minister of Agriculture. Is the minister aware that the health of animals inspection regulation requiring a minimum of 10,000 birds per week is being exploited to advantage by three large poultry processing plants in British Columbia, who are labelling their product "H of A approved" and in so doing are even now capturing the poultry market in that province by implying that smaller plants do not meet federal health standards despite the fact that their standards of health inspection are equal to or surpass federal requirements? If so, will the minister immediately consider modifying such regulations and allow all processing

plants meeting such health requirements to label their products "H of A approved"?

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, I was handed this question just as I came into the house. I can only say I was not aware of all the things happening that are mentioned in the question.

The facts are that in all these matters we have inspectors in plants that carry on export trade in the commodities concerned. We have no authority to have similar inspections made in other, smaller plants that buy and sell practically all their products within a province. There is no inspector put in plants by the health of animals branch, until they have been approved under provincial health requirements. Therefore any "H of A approved" marking that is put on the products is put on following provincial inspection.

In other words these must be plants that are approved by the provincial authority as putting up the products under conditions set by the provincial health regulations, and that part of it is taken care of before we enter into inspection at all. Our inspection and marking indicates that it has been checked by our people, and is to satisfy the regulations in connection with export. All the other matters having to do with the smaller plants concern the provincial authority.

Mr. Hahn: May I ask a supplementary question, Mr. Speaker. In view of the fact that the inspection in these plants is particularly for export purposes, and since the product is being used in the domestic market, would the minister therefore approve of the provincial body allowing the domestic use of the same "H of A approved" stamp in the small provincial plants?

Mr. Gardiner: As I understand it that is a matter that is pretty well taken in hand by the persons who import the products. They insist on inspection being made by the federal authority in connection with products they import; but the choice is made not by this government but rather by the individual operators of the packing plants, whether they process poultry or some other product; and if they do intend to export then they apply for inspection on the part of our authorities. If they do not intend to export they do not apply for federal inspection.

NATIONAL DEFENCE

WINNIPEG—REQUEST FOR PROVISION OF INDOOR ATHLETIC TRACK

On the orders of the day:

Mr. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I should like to direct a question to the Minister of National Defence and I regret that I did not have an opportunity to give him notice in advance. During the present reconstruction of Minto armouries in Winnipeg, will consideration be given by the Department of National Defence to providing an indoor track for athletic purposes, in view of the department's emphasis on the value of track and field athletics and their general physical fitness programs?

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, I will be glad to take the question as notice. I do not know just what the detailed plans for the armoury are in that regard.

AGRICULTURE

PRODUCER MARKETING BOARDS—JUDGMENT OF SUPREME COURT OF ONTARIO

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I had intended to ask a question of the Minister of Justice, but as he is not in his seat I would direct my question to the Prime Minister. In view of the fact that the supreme court has now passed judgment in respect to farm marketing boards, can the minister say whether it will be within the jurisdiction and competence of a province to allow producer marketing boards to be set up with policies designed to equalize returns to producers?

While he is answering that question I would also like him to answer a further one. In view of the majority decision of the supreme court on this question, can the minister say whether in his opinion it will be necessary for federal legislation to be introduced in order that producers may have the power to set up marketing boards which cover products going into interprovincial trade?

Right Hon. L. S. St. Laurent (Prime Minister): When I was minister of justice I was cautioned that it was not proper to give legal opinions from my place in parliament, especially in connection with such a question as this which has to do with the interpretation of a judgment rendered on a reference that was made at the request of provincial authorities. I think it would be quite improper for me to attempt to say what will be the jurisdiction of the provinces now. They have had an answer from the court to the questions which they submitted, and I think it is for them to take the responsibility of determining to what extent it defines their proper jurisdiction in that field.

As to what may or may not be done in the way of federal legislation, that will

depend upon representations we may receive from the provincial governments which are interested in the matter, and if we do receive them we will consider them very attentively.

EGGS

REPORTED EFFECT OF FEDERAL FINANCIAL POLICY

On the orders of the day:

Mr. J. W. Monteith (Perth): Mr. Speaker, I wish to direct a question to the Minister of Finance. Is the minister aware that his tight money policy has contributed to the present confused situation in the egg market in western Ontario?

Hon. W. E. Harris (Minister of Finance): I have heard a good many things said about the tight money policy, but this is the first time it has been applied to eggs. However, I know that eggs are a very important source of income to farmers of western Ontario. However, I will look into the question.

Mr. Monteith: I wish to ask a supplementary question. Is the minister aware that more eggs are on the market today than last year, and that bankers will not make secured loans to dealers in amounts sufficient to enable them to put these eggs in storage? The net result is causing confusion at all stages of the industry and resulting in prices being paid which are less than floor prices.

Right Hon. J. G. Gardiner (Minister of Agriculture): In view of the fact that I have been dealing with that matter for the last three or four days—

Mr. Monteith: I addressed my question to the Minister of Finance.

Mr. Gardiner: This may also bring an answer from him. As a matter of fact eggs are marketed in two different forms. The one form is fresh eggs and the other form is oil-dipped fresh eggs. We are prepared to take delivery of oil-dipped fresh eggs from western Ontario or from any other place at the price which has been established under the plan which has been operating for the last five or six years. That word has gone forward to the persons concerned in the western part of Ontario within the last hour.

Mr. Monteith: I would still like an answer to my supplementary question, that there are more eggs on the market this year and that dealers are not able to borrow sufficient money to put those eggs in storage, as has been done in previous years. What is the Minister of Finance going to do, in view of his advice to the Bank of Canada concerning the loaning of money?

[Mr. St. Laurent (Quebec East).]

Mr. Harris: I believe that the Minister of Agriculture has cleared up the question very well.

Mr. Monteith: I do not think he did.

Mr. Harris: I think he did, with respect. In any event I promised a moment ago that I would look into the matter and if there is anything I need to do to supplement the answer made by the Minister of Agriculture, I will do it.

LABOUR CONDITIONS

WORKING DAYS LOST THROUGH ILLNESS AND INDUSTRIAL DISPUTES

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I would like to address a question to the Minister of Labour. Will the minister inform the house as to the total number of man working days lost through illness, as a supplement to the information that 1,261,400 man working days were lost through industrial disputes in 1956, which information was just released as the preliminary figure by the information branch of his department? And is the total time lost through illness also lower than that of previous recent years, as is the figure for time lost through industrial disputes?

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, I have just had a very hasty glance at this question, which I received a few moments ago. I doubt very much if my department has any precise information as to the number of man working hours lost through illness. I will look into the matter. If there is anything useful which can be obtained I shall answer the question at an early date.

AIRPORTS

LONDON, ONT.—STATEMENT AS TO INSTALLATION OF SURVEILLANCE RADAR

On the orders of the day:

Hon. George C. Marler (Minister of Transport): Mr. Speaker, on Tuesday the hon. member for Middlesex East asked if the airport at London, Ontario, is to be equipped with surveillance radar as are the other main airports in Canada. The answer is that surveillance radar is to be installed at Halifax, Moncton, Quebec, Montreal, Ottawa, Toronto, North Bay, lakehead, Winnipeg, Kenora, Saskatoon, Regina, Calgary, Edmonton and Vancouver. London will be within the range of the installation at Toronto.

[*Later:*]

Mr. H. O. White (Middlesex East): I should like to direct a supplementary question to the Minister of Transport. Were any representations or suggestions made by the airport authorities at London or by the city of London that surveillance radar be installed at London? Is he also aware that the latest issue of the *Monetary Times* reported that London was going to be one of the airports at which such an installation would be made?

Mr. Marler: As far as the first part of the question is concerned, the answer is that I can recall no representations of that kind having been made by the airport committee at London. So far as the location of the surveillance radar units is concerned, I may say that the location is decided by the technical advisers of my department and not by the *Monetary Times.*

TRANSPORT

FERRY "CABOT STRAIT"—STATEMENT AS TO REFLOATING

On the orders of the day:

Hon. George C. Marler (Minister of Transport): Yesterday the hon. member for Queens inquired as to what progress was being made in efforts to refloat the S. S. *Cabot Strait,* and also asked for comment on the adequacy of the substitute service provided.

I am advised by the management of the Canadian National Railways that salvage operations are under way but that the vessel has not yet been refloated. With regard to substitute service, the management advises that the motor vessel *Nonia* is operating in place of the disabled ship, and daily service has not been interrupted. The management considers daily service adequate, and has pointed out that last winter there was only a tri-weekly service.

I think I should add for the information of the house that the stranding of the *Cabot Strait* occurred in extremely severe weather conditions. Gales were blowing up to 100 miles an hour, and there was a very heavy snowstorm and almost zero visibility.

OLD AGE PENSIONS

REFERENCE TO REQUEST OF CANADIAN LABOUR CONGRESS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. Did the minister notice that the Canadian Labour Congress in its brief to the government yesterday—I believe he was there and heard it—asked for an increase in the old age pension to $65 a month? Will the minister keep this figure in mind when he drafts the bill increasing old age pensions, which he will be presenting later this session?

Hon. Paul Martin (Minister of National Health and Welfare): I have already dealt with that question, but the Minister of National Health and Welfare also heard the Canadian Labour Congress commend the government for the steps it has taken in the introduction of its proposal for a system of hospital insurance.

Mr. Knowles: The congress also called for a comprehensive program of health insurance, and for action without further delay.

FRUIT

CANNED PEACHES—INQUIRY AS TO SHORTAGE OF CANADIAN PRODUCT

On the orders of the day:

Mr. John Pallett (Peel): I should like to direct a question to the Minister of Agriculture. Would he inform the house whether there is or is not a shortage of Canadian canned peaches at the present time?

Right Hon. J. G. Gardiner (Minister of Agriculture): I will have to take notice of the question.

Mr. Pallett: May I ask a supplementary question. When the minister ascertains what the situation is, will he also ascertain why we are being served American canned peaches in the parliamentary restaurant?

BUSINESS OF THE HOUSE

OPPORTUNITY FOR DEBATE ON BUDGET BEFORE DISSOLUTION

On the orders of the day:

Mr. E. D. Fulton (Kamloops): I wonder whether I could ask the Minister of Finance whether he, both as Minister of Finance and as house leader, is in a position to give assurance that if, as we expect, a budget is introduced at this session the house will be given an opportunity to debate it and express an opinion on it before dissolution?

Hon. W. E. Harris (Minister of Finance): The progress we have been making, with the long question periods of the past ten days, has made me wonder whether we will ever reach the budget.

Mr. Lennard: It just depends when you bring it down.

Mr. Fulton: The minister is, of course, entitled to wonder as he likes, but I wonder if he would answer the question.

Mr. Harris: If a budget is delivered during this session of parliament it will not be within the next few days anyway; therefore the matter is not urgent. In any event, I think my record as house leader would lead the opposition to agree with me that I always extend the courtesy of giving them advance notice of what will be done.

Mr. Fulton: In the light of the precedents of other years, would the minister say we should take it from his answer that he is going to change that precedent, because we have not regarded it as proper or courteous when on former occasions the budget was introduced and no opportunity was given to debate it.

Mr. Harris: I have heard the observations, Mr. Speaker.

PUBLIC SERVICE

REPORTED STUDY OF COLLECTIVE BARGAINING WITH GOVERNMENT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. I wonder whether the Prime Minister would be prepared to make a statement to the house concerning the remarks he is reported to have made yesterday to the Canadian Labour Congress regarding a study of collective bargaining between the government and civil servants. May we take it from what the Prime Minister is reported to have said yesterday that this matter will be given a new look, and that it will be studied further?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I suggest that this is not the sort of question that should be asked upon the orders of the day. However, I will state to my hon. friend, though I do not want to start another debate, that most of these questions are not asked for the purpose of obtaining information but for the purpose of endeavouring—

Mr. Knowles: I protest. My question was asked to obtain information that I think should be given to the House of Commons.

Mr. St. Laurent (Quebec East): I am not referring to this question, but most of them seem to have been more in the way of attempts to get us to agree with criticism that is implied in the question, and I do not think that is urgent or proper in questions on the orders of the day.

[Mr. Lennard.]

I made the statement, and it is my personal position, that I have always felt that collective bargaining did not meet the constitutional practice of our system with respect to the civil service. When I heard that some form of collective bargaining was in operation—I do not know how far it goes—in the United Kingdom, I asked that further information be obtained as to what it was and how it works. That is as far as I went.

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I rise because I take exception to the categorical manner in which the Prime Minister has spoken with respect to questions which some of us on this side of the house have asked. I feel that I at least have asked questions for the purpose of getting information, and I resent his statement.

HOUSE OF COMMONS

STATEMENT BY MR. SPEAKER ON ASKING OF QUESTIONS

Mr. Speaker: I think I am in duty bound to say something about the manner in which questions are being asked. I am sure there is on the part of hon. members a sincere desire to observe the rules. Standing order 39 (1) reads as follows:

> 39. (1) Questions may be placed on the order paper seeking information from ministers of the crown relating to public affairs; and from other members, relating to any bill, motion, or other public matter connected with the business of the house, in which such members may be concerned; but in putting any such question or in replying to the same no argument or opinion is to be offered, nor any facts stated, except so far as may be necessary to explain the same; and in answering any such question the matter to which the same refers shall not be debated.

Citation 297 of Beauchesne's third edition is to the following effect:

> 297. A certain number of oral questions are permitted in practice by members, without notice, before the orders of the day are called; but these are merely allowed by courtesy in connection with the business of the house or with very urgent and important matters of public concern. They are always brief, no debate being permitted, and the replies are as concise as possible. The minister interrogated may reply at once or may direct that the usual notice be given. Such questions are governed by the same rules of order as questions of which notice has been given.

Therefore, if oral questions are to be governed by the same rules of order as questions of which notice has been given, they are subject to the following rule found in standing order 39 (1), the last part of which I will read again:

> . . . but in putting any such question or in replying to the same no argument or opinion is to be offered, nor any facts stated, except so far as may be necessary to explain the same; and in answering any such question the matter to which the same refers shall not be debated.

There are other citations in Beauchesne which further explain what the practice should be. I should like to cite citation 311, which reads as follows:

311. Although there may be no debate on an answer, further questions, within due limits, may be addressed to the minister as may be necessary for the elucidation of the answers that have been given. The extent to which supplementary questions may be asked is in the discretion of the Speaker.

After a minister has answered a question asked by a member when the orders of the day are called, no discussion of any kind should take place.

Then it goes on to cite a statement by Mr. Speaker Lowther in 1915 which I will not read to this house, but it is there for hon. members to consult. Citation 295 gives the details of the various rulings that have been made by my predecessors on questions asked from time to time over the years. I would also mention citations 296, 298, 299, 300, 301 and 302.

Last year I made a statement with regard to questions after having made a study of the matter, and it was my hope that the statement I made then, which was lengthy, would be the last one that I should be obliged to make. See *Journals*, Friday, 16th March, 1956, pages 299-305. I think it is obvious to any hon. gentleman that we may be departing from the requirements of the rules as they actually exit. I believe hon. members will agree, and this is my own view, that at question time I have been so lenient that some hon. members may have felt justified in addressing to me serious reproaches for my lack of vigilance at that stage of the proceedings. I am not going to divulge private conversations, but certain members on both sides of the house have often told me that at question time they were "getting away with murder".

They know what the rules are. We all know what they are. We also know how much more entertaining it may be to have more latitude than the rules allow. But the rules as they stand are the rules I must apply, no matter how much perhaps I personally should like to see another system established. The only way the rules can be changed is by the house itself through a committee on procedure, which would recommend certain changes and have them debated. If hon. members do not like this type of procedure—I refer to the one that is provided for—they may take the steps that are necessary to have it changed. See Beauchesne's third edition, citations 9 and 10.

What I have said today does not apply to any questions that have been asked today in particular. My remarks are not addressed to any hon. member in particular. I am not admonishing the house. I am not reprimanding anyone. I am just speaking in general as to the manner in which we have conducted ourselves, and I include members of the opposition and members of the government as well. The rules are to the effect that the replies must be concise and should not include any more facts than are necessary to give the reply. The rule applies to the question and it applies to the reply. I include myself in the remarks I have been making, because I perhaps should have been more vigilant in the interpretation and observance of the rules.

Having in mind the ambition that we all have to respect our rules, let us resolve that if we do not like them we shall change them in the manner which is provided under our rules. Let us hope we can carry on from here. I hope we may have interesting question periods just the same, but that we shall keep within the rules.

MOTIONS FOR PAPERS

EXCHEQUER COURT JUDGMENTS

Motion No. 1—**Mr. Knowles:**

For a copy of the judgment of the Exchequer Court of Canada in case No. 73805 between the Minister of National Revenue, appellant, and the Publishers' Guild of Canada Limited, respondent; and also a copy of the judgment of the Exchequer Court of Canada in case No. 78533 between the Publishers' Guild of Canada Limited, appellant, and the Minister of National Revenue, respondent.

Mr. Harris: The Minister of National Revenue, Mr. Speaker, is unavoidably absent for a short time. Perhaps this could stand until the next day when it would be called.

Some hon. Members: Agreed.

Motion stands.

BANK OF CANADA—PRESS PUBLICITY

Motion No. 2—**Mr. Hees:**

For a copy of all directives, instructions, press releases, etc., issued by the Bank of Canada, and of all public statements or speeches by the governor of the bank, since September 1, 1956.

SPECIAL U.N. FUND FOR ECONOMIC DEVELOPMENT

Motion No. 4—**Mr. Knowles (for Mr. Coldwell):**

For a copy of the text of the Canadian government's reply to the questionnaire circulated to member governments, by the Secretary General of the United Nations as authorized by resolution 923(x) of the general assembly, December 9, 1955, regarding the question of the establishment of a special United Nations fund for economic development.

Education

EDUCATION

PROVISION OF NATIONAL SCHOLARSHIPS AND BURSARIES

Mr. A. H. Hollingworth (York Centre) moved:

That, in the opinion of this house, the government should consider the advisability of introducing legislation to provide national scholarships and bursaries for students at the university level who are in financial need in so far as the subject matter of this resolution is within the competence of parliament.

He said: I am pleased, Mr. Speaker, to again sponsor this resolution, which has as its objective the assistance to university students in financial need by means of bursaries and scholarships. I should like to say at this time how very much I appreciate the widespread support I received in the house last year when this resolution came up for the first time. I suppose that is as it should be, because this particular crusade is essentially non-partisan. I should like also to compliment the national federation of Canadian university students for the untiring work they have done in this regard, and I would think the work in which they have persevered throughout the years will soon bear fruit.

There seems to be a considerable amount of confusion in the minds of many people about the responsibility for education in this country, and I should like to take a few minutes to point out in what ways the various jurisdictions enter into the picture. One often hears it said that the federal government of the United States does more for education than does the federal government of this country. This only serves to show up the peculiar nature of Canada, and why a policy that can be followed in the United States cannot necessarily be followed in this country. By the Quebec Act the French speaking population of Canada received certain rights. One of those rights was complete control over the education of their children. This clause was enshrined in the British North America Act, and the federal government must be very careful that its jurisdiction does not impinge on provincial jurisdiction in matters of general education.

I have cited the case of the province of Quebec, but I think I could mention any other province. I feel sure that in my own province of Ontario the provincial authorities would be very much upset, and would quickly object, if it were seen that there was any alleged interference with this exclusive provincial jurisdiction. As a result, Mr. Speaker, we may rule out the possibility of federal assistance to education on a general scale. However, there are certain special fields where the federal government does have jurisdiction and where the federal government may assist the provinces. It is interesting to note even here that, although the federal government does have jurisdiction, nevertheless the administrative control in fact comes under the provincial authority.

As I said, for many years federal assistance has been given in certain specific fields of education; for example, in technical education; in education for youth; in education in sciences, and for veterans. Hon. members will recall that last year I dealt with the legislation for veterans at considerable length, and indicated what an outstanding success it had been in this country. I need only point out to the house that on page 267 of the estimates for 1957-58, tabled on Tuesday last, the vocational schools assistance program calls for an expenditure this year of $7 million, which is up from $2 million last year. I understand that agreements will be signed with the different provinces calling for the expenditures of $40 million, which will consist of $25 million for capital expenditures and $15 million for operational expenditures over a five-year period.

Hon. members will see that what I am advocating today is not revolutionary. It is something we have been doing for some time, and that is why I am urging this house to increase this form of assistance. Hon. members will recall that last year I thought the best way of handling this matter was through a form of student aid, and that this should be done by means of grants handled through the Department of Labour. By this method needy students are assisted by committees on awards located at the different universities. These committees usually consist of several members from the provincial governments as well as a representative from the universities and a representative from the federal Department of Labour which, as I say, administers the grants for the federal government. This, then, will assure the greatest control by the provinces, which is as it should be.

This has worked out very successfully in the past, and on perusing the estimates for this year I note that an amount of $571,950 for student aid is included in youth training. This figure has not been increased over last year, and I can only conclude that undergraduate bursaries and scholarships may well come within the ambit of the proposed Canada Council which is being set up by legislation during this session.

I studied carefully the speech of the Prime Minister on Friday, January 18, concerning the proposed Canada Council, and though I did not find any specific reference to

undergraduate scholarships I would gather that such is implicit in this legislation. As I understand it, an endowment fund of $50 million is to be set up, and the income from this fund used to provide scholarships and bursaries for graduate students. At the bottom of page 396 of *Hansard* for January 18, 1957, the Prime Minister said:

> The income will nevertheless be quite substantial and will be continually devoted to the continuance of scholarships, grants, loans and awards in the fields of the arts, humanities and social sciences.

As I say, Mr. Speaker, I think it is implicit in the remarks of the Prime Minister, or in the legislation itself, that not only the best graduate students but also the undergraduate students will be assisted in this regard. It is, therefore, not within my province today to state how the money should be expended; suffice it to say that the number of bursaries and scholarships to undergraduate students in the past has been woefully inadequate. I think we are now in the fortunate position of setting up a council which will be able to arrest this trend and provide the much needed assistance for undergraduate students. Therefore I should like to congratulate the government most heartily on bringing the council into effect this year. Many people besides myself will be vitally interested to see the role that the Council will play in the matter of providing bursaries and scholarships to undergraduate students.

I should like to take a few minutes today to put on the record a few facts which I think show the great need for the assistance I have been advocating. I believe this can best be done by comparing the amount of assistance given to universities and to students in the United Kingdom, in the United States and in Canada. It is well known that students in Great Britain have been assisted by means of bursaries and scholarships for years, and the method of distributing those bursaries and scholarships has been through the University Grants Committee. Indeed, in the United Kingdom the national government provides 70.4 per cent of the current university revenues.

In the United States the system is different from that of the United Kingdom, in that there are two types of universities. There are the privately controlled universities such as Yale, Harvard, Princeton, Dartmouth and Duke; and there are the state universities such as Ohio State, Michigan State, and so on. In the former universities 63 per cent of the total income is derived from private sources, whereas the state universities, which are in effect responsible for two-thirds of higher education, receive 70.8 per cent of their total income from government sources, a figure almost identical with that of the United Kingdom.

It is interesting to learn, however, that in Canada only 40 per cent of university incomes are received from government grants, and even in the western provinces where the universities more closely approximate what they have in the United States in state universities, the grants from governmental sources do not total more than 50 per cent of the total income.

With regard to scholarships specifically, it is estimated that in 1955, 72.9 per cent of all students registered in British universities were the recipients of scholarships and bursaries in some form or another. In other words, Mr. Speaker, in the United Kingdom it is possible for a student who has the necessary intelligence to go through university assisted by scholarships and grants. In the United States things work out rather differently, but the fees payable at state universities are considerably lower than the fees payable at Canadian universities because of the substantial state grants. In addition, it is estimated that more than 20 per cent of the students attending the so-called privately controlled universities receive assistance in the form of scholarships and bursaries to the extent of paying their tuition fees. In other words, it may be concluded that in the United States three-quarters of all the students receive assistance either directly or indirectly in going through university.

Of course it should be of interest to everyone in this house to know what happens in the Soviet union. I am informed that at the Russian universities tuition fees are so low that everyone can attend and, furthermore, that 90 per cent of the Russian students are assisted by monthly living allowances during their courses in their state universities. And of course in the Scandinavian countries, unless things have changed in the last few years, no tuition fees are paid by the students.

In Canada, it is estimated reliably that not more than 14 per cent of Canadian university students receive assistance by means of bursaries and scholarships. Surely this statistic alone is adequate proof that the need in Canada is almost desperate, and that it should be the function of the Canada Council to wrestle with and find a solution to this problem.

In Canada both the federal and provincial governments must do more. It is estimated, for example, that provincial grants to universities in 1954 comprised less than 3 per cent of the total provincial expenditures or, to put it another way, amounted to less

than one-tenth of the provincial expenditures on roads. It is my impression that provincial governments are doing more this year. Surely it is incumbent upon this parliament within its limited function—but a very important function, I submit, Mr. Speaker—to revise drastically upwards by one means or another our assistance to universities, and particularly our assistance in the line of bursaries and scholarships.

(*Translation*):

Mr. Speaker, I should like to say a few words in French to my French-speaking fellow citizens and particularly to those of my colleagues who represent Quebec constituencies.

I would ask them to support this resolution of mine because I sincerely think that it is one of the best means of promoting national unity in Canada.

Before introducing and explaining my resolution, I want to make it clear that I am among those who recognize that the provinces have competent jurisdiction in the field of education. That is the case in the province of Ontario as well as in all the provinces which stand guard jealously over their rights in the field of education.

I know that French Canadians are proud of their language, their customs and their traditions. They are right in feeling as they do, and I congratulate them on that score. In order to maintain this character, French Canadians mean to keep control of education, in so far as it concerns them. I recognize that fact, as indeed my resolution shows. I am also convinced that most Canadians, French and English speaking, recognize it too.

I am looking forward to a better future when we shall have an active exchange of students, students who will think first and foremost as Canadians.

Mr. Roland Michener (St. Paul's): Mr. Speaker, I congratulate the hon. member for York Centre (Mr. Hollingworth) on the few words he said in French. I shall now pursue my comments in a language which is familiar to me and perhaps also to other members.

Mr. Knowles: Hear! Hear!

(*Text*):

Mr. Michener: I would like to say how interesting I found the remarks of the hon. member for York Centre on his second presentation of this motion. It is a subject of great current interest. In fact, if a member had come into the house during the hon. gentleman's speech without having heard the order called he might have been in some doubt as to which order on the order paper was under discussion, because we had the experience a day or two ago of hearing the Prime Minister indicate that a council would be set up and that it was the intention of the government to ask parliament for $50 million as an endowment for that council, largely for the purpose of establishing scholarships.

It is perhaps a matter of judgment, Mr. Speaker, as to whether one should address one's remarks to this subject at this time or wait for the other debate which is indicated on the order paper. I have been in some doubt on that subject. It is a question of which is the cart and which is the horse in this case. Perhaps one might say, as the hon. member for York Centre has priority in time, that at least if the government is the cart it is a pushcart being pushed by its backbenchers in this case. The lead has not come from the front.

This motion is qualified by three very interesting words which appear at the end, and I shall read the last line:

> . . . in so far as the subject matter of this resolution is within the competence of parliament.

I propose to speak briefly on this subject under three headings. The first is the general need of scholarships for university students; second, the capacity of the federal government to provide funds for such purposes; third, I propose to deal with the question of the competence of parliament which is implicit in the motion itself.

Concerning the question of need, I think every hon. member of this house has a fair appreciation of the needs of the Canadian universities. They have been the subject of a great deal of discussion in the press and of many conferences in the least year or two, and on many occasions they have been the subject of discussions in this house. So there can be no doubt in the minds of hon. members of this house concerning the needs of Canadian universities if they are to fulfil their function in the years ahead. We are in a forecasting mood these days. We have been looking ahead; we see the possibility of a great increase in the number of students attending universities and are aware of the needs of the universities in expanding their facilities. This resolution, however, primarily directs itself to the needs of the students themselves.

I think it would be a contribution to the debate if I called your attention, Mr. Speaker, to a paper which was delivered in this city a few months ago at the national conference of Canadian universities called on the subject of Canada's crisis in higher education. One paper was delivered by Dr. R. W. B. Jackson and Dr. W. G. Fleming, both of the department of national research of the

Ontario College of Education. The subject of the paper was "Who goes to university?". On page two these gentlemen posed the problem in the following terms:

> The question "Who should go to university?" implies an unrealized ideal—a discrepancy between what should be and what is. For just as it is obvious that our universities come very far from attracting and retaining all the young people with aptitudes, interests, and traits of character needed to profit from a university education, it is equally apparent that many of those now enrolled in our universities lack the qualifications for success. The failure rates now prevailing—30 per cent is common—are intolerable even in an economy as wealthy as ours.

Following considerable discussion of the subject they arrived at conclusions which are far from satisfactory, but perhaps they are the best that could be given from the knowledge which is available. This is the first conclusion recorded on page 25:

> . . . we may summarize the findings about "Who Goes to University" in this way. We really know appallingly little about our university students, in general or in particular.

I think that is a rather grave admission in these times of attempts to deal rationally with and make adequate plans for the future. The second conclusion is as follows:

> The little we do know all points to the inescapable conclusion that we are extremely wasteful of our limited resources of human talent; we may be utilizing little more than one-quarter, perhaps at most one-third, of the talents of our gifted young men and women.

To my mind that is another extremely serious statement. The third conclusion reads:

> We must secure more information before we can do any sensible planning, and we must be prepared to pay the cost in time, effort, and money.

This section of the paper concludes:

> Finally, if we are short of trained personnel, it is our own fault. The intellectual and other abilities are present in sufficient quantity in every generation; we not only fail to use them, we fail even to recognize them.

There, I think, is the justification of the need for more scholarships on a broad basis in Canada to make use of the available abilities of this generation which, as indicated in the statement I read, are not being given the opportunities and advantages which with our democratic philosophy and ideals we recognize as the right of every citizen in equal measure. It is the democratic ideal, which we have demonstrated in elementary education, to give equal opportunity to all students. In fact it has been made compulsory for students to attend school to an age which almost completes high school education. That principle of equality which is the background of our political system, and our concept of freedom and government should also extend to university education. Opportunity should be made available along the lines I have indicated.

The next question is, what are the needs of the students themselves? We have had some very interesting help on this subject. All hon. members have received the brief to which my hon. friend referred, presented by the national federation of Canadian university students. The one I hold in my hand is dated January 25, 1956. It is now a year old, but it shows very careful consideration by the people who ought to know of what it costs to attend university and what the prospects are for a young man or woman who is not fortunate enough to have family backing which will assure him the means to complete a year or two or three of higher education.

This document, signed by Mr. Peter G. Martin and Mr. Harry Arthurs, may have been brought up to date, but it is a clear indication from the students that it is not now possible with the current costs of university education for an ordinary person to earn and pay his own way through university. Certainly some will do it. I recall very well that when I was attending the University of Alberta there was a young man in attendance who was the envy of us all. He was an enterprising sort of fellow who went out selling Wearever aluminum products in the summer and always came back with $1,000 or $1,500 in cash which was more than he needed in those days to pay his tuition and expenses for a year at the university.

The best evidence we have today is that on the average the student who works to good advantage during the summer will make $600 net and will return to university with that sum, which he can put toward his costs; but it does not begin to cover the entire expense. The average cost of a year at university is $1,200, and that ranges from $900 in some of the smaller colleges to $1,400 at McGill. Depending on private support as it does, McGill has, I think, higher tuition fees than most universities. The student who averages $600 net has a shortage of approximately $600. Although one might say to a student, "You are an enterprising young man in a country of vast opportunity. You can make your own way through and if necessary stay at work for a year and save enough to go to university for three years in succession," it does not work out that way in practice.

The challenge to make the best use of the abilities of our young people is a grave one. I agree completely with the proposition that in Canada we should have scholarships based on ability, which will ensure that all young men and women who have the capacity

for higher education shall have an opportunity to obtain it. I could cite many other documents in support of the proposition, but I think it is generally accepted.

The next point is the capacity of the federal government to provide funds for a comprehensive system of scholarships. University students in their federation asked for 2,500 annual awards, each tenable for four years, at a cost of approximately $5.5 million a year, a very modest beginning. The scope of scholarships which exist today is substantially in excess of that figure, and we are now setting aside a substantial sum of money, though not large within the figures with which the federal government deals. There is no question when one considers the real taxation, the amount of money which our expanding economy produces, and the surplus which is produced by the taxation level maintained by this parliament and this government, that the sums are available.

This year the estimates which have just been tabled called for an expenditure of $5 billion, more than was ever spent in one year except in the year of highest expenditure during the war, 1943-44, when the estimates ran to something like $5,400 million. That is a sum which I think we will be asked to exceed this year when all the supplementary estimates are in. I dare say the Minister of Finance will undertake to find that sum on a balanced basis. There is no question of the capacity of the federal treasury to meet these educational demands.

The further point which I wish to make is that which the hon. member raises in his motion, the competence of the federal authority to enter into this field. Of course that is a serious question. The basic document is the British North America Act. In section 91 it deals with the matters under federal jurisdiction. Section 91 does not mention education. The nearest approach to it is the section dealing with the establishment of penitentiaries, which has nothing remotely to do with education. Then in section 92 the exclusive powers of the provincial legislatures are dealt with. Education is not there, for the simple reason that education was so definitely a matter of provincial concern and so jealously guarded by the provinces which entered into confederation that they made a special section 93 for education which says:

> In and for each province the legislature may exclusively make laws in relation to education . . .

Then there are some provisos which do not affect the argument which I wish to make on that point. There is the scheme of confederation. It has been recognized. I see an instance of it right here in the letter which has been submitted to the members. The Canadian school trustees' association wrote to all members of parliament in April, 1956, and I shall read one sentence of their letter, as follows:

> This year a delegation proposed to present a brief to the cabinet based on that report. Unfortunately the Prime Minister has declined to receive the delegation as he contends that education is a provincial matter.

I propose to present a question to the house. How can this need be filled within the concept of our confederation? I for one do not wish to shatter any of the rights of the provinces in the educational field. That was clearly written into the constitution. Those rights are very jealously prized, particularly by the province of Quebec, and certainly I believe this house should pay every respect to that feeling on the part of the provinces in their control over education.

As the hon. member for York Centre said, the government has taken a fairly active part in educational matters in the past. It is worth while to take a look at the pattern of this. First, there was support for the various scholarships with which we are all familiar. Some 55,000 veterans enjoyed federal assistance in secondary and undergraduate education. Of these, 44,000 were in the universities for more than a year, all with federal funds. That apparently was not regarded as a serious inroad into provincial jurisdiction.

Then we have the dominion-provincial vocational training scheme to which the hon. member has referred. It is interesting to note that in 1952-53 there were 6,000 trainees in the province of Quebec, 1,500 in the province of Ontario, and 1,500 in all the other provinces, making a total of 9,000 who were receiving training which must be considered as educational training at the expense of the federal treasury. But that of course was under agreement between the provinces and the federal government, voluntarily entered into; it was not unilateral action. It was in a different category than the proposals which are apparently anticipated in the establishment of the Canada Council.

Then in addition there are the scholarships granted annually by the Department of National Health and Welfare. The Department of National Defence has a good many scholarships under the defence research board. The Department of Trade and Commerce also has some, more particularly the national research council which offered in 1955-56 a total of 267 scholarships for a total of $336,000. This year there are 250 summer research scholarships of $800 each for teachers of engineering and natural science.

We have a precedent here for the expenditure of federal funds in the provision

of educational scholarships. The hon. member has not proposed any scheme, he has simply recommended that scholarships be founded. The question arises, why does not the present government make these expenditures for these scholarships by means of direct grants to the provinces without any strings attached except that they are to be grants for educational purposes? The other question is this. Could these scholarships be arranged by agreement with the provinces so as to preserve the principle which I have said we should not treat lightly?

What is the answer to the first question of why the government in its own measure, which we will be discussing presently, does not propose to provide these scholarships for the provinces by a lump sum grant for scholarship purposes, trusting the provincial governments, which are responsible to the electorate, to carry them out satisfactorily? The grants proposed are to be made to the Canada council to be set up and they are to be administered by them. Therefore an intermediary is placed between the federal treasury and the recipients of the scholarships. If the scheme of confederation is to be observed, surely these payments should be made to the provinces for the same purposes or be made under agreement with the provinces so that there is no question of federal interference in educational matters.

This is only part of what is necessary in Canada. We know that the need for scholarships is great. We also know that the needs of secondary and primary education are even greater. The problem is of such proportions that I suggest to the house that the answer to my question why the government does not authorize grants for education directly to the provincial authorities is that by doing so the federal government admits that it has been withholding from the provinces by overcentralization of revenues funds which they should have to carry out their responsibilities. It would be a clear admission if the federal government said to the provinces today: Here is $200 million for educational purposes, which you need, and gave it to them voluntarily.

A payment given voluntarily for education without any strings could not be considered a breach of the constitution but it would be an admission that the overcentralization that has continued since the provinces gave up their taxing authority under stress of war has been continued to the disadvantage of the provinces in carrying out their very essential and necessary functions.

My conclusion, Mr. Speaker, is that I support the idea of the resolution and will vote for it. However, I have very definite reservations as to the method by which this obvious need is to be met. I have explained those reservations. I think it is the duty of the federal authority not to impinge. When there are ways in which education can be assisted from the federal treasury, if it must be so assisted, which are within the principles of division of authority and responsibility and are acceptable, then certainly we should not do these things in ways which are not acceptable to any of the provinces of Canada.

I am sorry that we are in a position where the federal treasury has all the money and the provincial treasuries are not able to meet their responsibilities. It would be simpler if they were because then those governments, responsible to the same electorates, would undertake to discharge their responsibilities. They have every bit as much appreciation of the needs of education at the primary, secondary and university levels as we in the federal field have. As I say, I am sorry that they are not in a position to do so.

We on this side of the house have urged the government to look a little more realistically at the division of taxing authority and not to be so niggardly in their dealings with the provinces. The surpluses that the Minister of Finance (Mr. Harris) is able to produce could well be devoted to giving the provinces an area in which they could raise educational funds. But in the circumstances that exist, and that is what we must look at because these things are urgent, I agree that as the money is here and the need is there it is only logical that they should be brought together. The reservation I have is as to the method.

Mr. J. E. Brown (Brantford): Mr. Speaker, I should like to congratulate the hon. member for York Centre (Mr. Hollingworth) upon the introduction of the resolution now before the house. I believe that last year the hon. member introduced a similar resolution and I was pleased to notice that it received widespread support from both sides of the house. While I have not had time to prepare adequately the reasons why I am very much in favour of the resolution, nevertheless I should like to take this opportunity of making a brief statement endorsing the resolution wholeheartedly.

It is needless to point out that under our constitution the field of education is a matter which comes within the exclusive jurisdiction of the legislatures of the provinces. In view of this, I am glad to note that the resolution is worded in such a manner that the legislation asked for is only such as will be within the competence of parliament.

Education

The resolution asks that the government consider the advisability of introducing legislation to provide national scholarships and bursaries for students at the university level.

Although I do not pose as a constitutional lawyer, I can see nothing wrong in a constitutional way with this parliament voting to enact legislation providing for national scholarships; nor can I see any threat to the constitution or any invasion of provincial rights by the government instituting legislation of this kind.

I was very interested in the remarks just made by the hon. member for St. Paul's (Mr. Michener). With much of his speech I am in agreement but I cannot agree with him when he is fearful of an invasion of provincial rights in a matter of this kind. While I do not believe in handouts by governments and in making it too easy for the youth of our nation to find their way in the world, I nonetheless support the resolution wholeheartedly and without qualification. I believe it to be only right that the government of Canada and parliament should endeavour at all times to create the widest possible opportunities for the young people of Canada. I further believe it to be a principle of good government and a principle of Liberalism to provide as nearly as possible an equality of opportunity in the realm of higher education. If equality of opportunity across the nation is to be a watchword and a principle to guide us, then by all means the federal government should consider the advisability of introducing legislation to provide for national scholarships and bursaries.

There is no need for me, Mr. Speaker, to outline the lack of professionally trained personnel in Canada. I believe that every member of the house knows that our resources of adequately trained people are very much limited. Professionally trained personnel are not available in sufficient numbers and our shortage of mechanical and electrical engineers is something that is constituting somewhat of a threat to the development and growth of Canada. Our shortage of qualified teachers and our shortage of doctors and dentists are also things which are quite obvious to all of us.

What concerns me is that the average working man and woman in Canada is really unable to provide his or her children with a university education, despite the fact that these children are able to earn a considerable amount of money during summer vacations at jobs of their own and thus to help themselves as much as possible. A system of national scholarships and busaries would, in my opinion, greatly aid in overcoming this state of affairs.

I believe, without hesitation, that every young person who has the capacity and the desire to train himself for one of the professions which I have already mentioned, or indeed for anything requiring higher education, should be able to do so regardless of his or her means. If any such person is prevented from doing this solely because of lack of financial resources, I believe it is a tragedy for Canada and that we should do our best to remedy such a situation.

Mr. Speaker, on numerous occasions I have put my views on record with respect to this matter, but I believe this is the first opportunity I have had in this house to do so. I cannot but call to mind a certain family whom I know in the city of Brantford. The son is a medical student at a great Canadian university. His father is a working man and is really not able to afford to maintain him there. The son works and earns money during the summer months and on every other possible occasion, in order to assist in paying for his education. The mother has gone out and has done char work. She is employed in cleaning several business establishments and several law offices in Brantford. Her husband helps her. All of the money they earn and all the money that their son earns during the summer recess—indeed all the money that they can put together from mortgaging their house and other means—is used to educate the young man at the university, and an extremely brilliant student he is. These heroic sacrifices are being made in my community and in many others in order that some of our young people can take the place in life that they desire to take.

I have in my hand, Mr. Speaker, a brief to the royal commission on Canada's economic prospects submitted by the national scholarship committee of the national committee of Canadian university students. On page 11 of this brief there is a quotation from Dr. F. Cyril James, principal and vice-chancellor of McGill university:

> A young Canadian from a family of modest circumstances has less chance of getting a university education today than a youth in any other country with which I am familiar.

I wonder if this statement could be true. If it is true, I think it is up to us who sit in this chamber to do something about it. Nevertheless, one thing is clear and that is that there are not enough opportunities to obtain a university education in Canada. I am told that only 4 per cent of those who start the first grade in Canadian public

schools ever graduate from university. The brief of which I have spoken also points out that as many as 54 per cent of those who abandon education at any stage do so for financial reasons. The brief asks for the institution of bursaries and scholarships in the form of awards of $2,500 tenable for four years so that a total of about 10,000 Canadian students would benefit in each year in the amount of about $500.

For the reasons I have given and in order to create more nearly equal opportunities for the youth of Canada of whom all members of parliament, I know, are proud, I feel that I must support this resolution. If I recollect correctly, I read somewhere quite recently that all the money spent by the government in providing educational facilities for veterans in the last great war has been paid back by the recipients in income taxes. That is something that may or may not be true but it is something to keep in mind while discussing this matter.

Mr. Speaker, I cannot add anything more to what I have said. I have made only a few brief remarks and I do not think I need to say any more. I should certainly be pleased to see this matter given full and careful consideration by the government.

Mr. R. R. Knight (Saskatoon): Mr. Speaker, it is only with the greatest reluctance that I repeat myself although I know there is a psychological principle involved, namely that repetition finally has some effect. Of course, much depends upon the type of audience you have. I am not suggesting that the members of this house are such an audience but I may say that there are in this country people who need to be told over and over again about the values and the importance of education to Canada.

I said that I did not want to repeat myself. I have just discovered that on January 26, 1956 I spoke at great length on this particular situation. Today I do not propose to go into any detail of statistics or of methods but I think that I can add a word or two to what I have said previously about the general principle of the resolution. I am prepared to take the sponsor's word for it that, when he talks about these scholarships, he has in mind both graduate and undergraduate scholarships.

When I heard that this resolution was up for consideration today, I had some doubt in my mind that it would be accepted as being in order. I am glad that it has been so accepted. Of course, the fact is that legislation has already been foreshadowed—and it will be discussed in this house—which will provide the necessary machinery and arrangements by which these scholarships will be granted. The government, in the terms of the resolution, has considered the advisability of introducing such a resolution. I am glad that the consideration of such has been fruitful. If I may I should like to quote from page 579 of *Hansard* of January 26, 1956, where I am reported as saying as follows:

> I say I am glad that a member who supports the government brought in the resolution. I honour him for it and I wish him luck with it. It may be a good sign. Let us hope it is of some significance. Let us hope that something will be done.

Well, something is going to be done. There is no one in this house more happy about that than I am.

If I might digress for a moment from my general topic I would say that I think these private members' resolutions, irrespective of what side of the house they come from, are of inestimable value. After all, legislation is often based upon public opinion. If by means of a private member's resolution any idea of importance to this nation may be publicized and popularized throughout the country, then I am all for it. I think my friends on the other side are coming along in matters of education. I know that is not fair to some of them because some of them have come along just as far as I have, indeed farther, over the years. But I cannot help recalling the first time that I introduced a resolution in this house concerning federal aid to education. I was met with raised eyebrows and with wonder. They stood aghast that such a thing should be mentioned in the federal house. Is this, they said, not a matter completely within the jurisdiction of the provinces? My answer, of course, was yes. No one could agree more that matters of administration, matters of the choice of curricula for education are the concern only of the provinces. But I shall have a word to say about that later.

In the meantime the government has brought into this house a resolution preceding legislation which when passed, and I am sure it will be, will set up the machinery to do the very thing for which this notice of motion asks. It is true that it is couched in the devious language which convention dictates and the necessity for which must be a mystery to the average layman. We now wait that legislation, and we await it with interest and, so far as I am concerned, with joy.

Nevertheless, since this resolution has been introduced today I want to assure my hon. friend of my complete and whole-hearted support for his thesis. As I say, since legislation will come, and since there will be an opportunity at that time to discuss it, I am not going to discuss that legislation in its

detail now. I, personally, would interpret such a discussion as being out of order. It is, as I said, a source of great satisfaction to me that the people of this country at long last, and finally those in this house, have shown some concern about the educational facilities of our country.

I have talked about these private members' resolutions. I say my Liberal friends may have come along in their thinking on this subject. A moment ago I forgot to mention that when I brought in either the first or the second such resolution, one of my friends, who sits opposite to me, and who happens to be a neighbour of mine from a geographical point of view, was kind enough to say that any private member introducing a private member's resolution on this subject was doing so for political purposes and that I, personally, was bringing this one in with the deliberate intention of deceiving the public. I do not know whether the same hon. friend over there would like to make the same accusation against the hon. member who introduced this resolution. I am quite sure his colleague would not now, and I emphasize the word "now", make such an accusation, I venture to say, even against me. So, as I say, we are getting along a bit.

Lately there has been a great recognition that this sort of thing is constitutional. I will not go into the arguments advanced by my hon. friend the member for St. Paul's a moment ago, but I agree with them to a large extent. As I say, no one agrees more than do I that these vital things, that the program of education in each particular province, must be the sole prerogative of the people inside that province. But why in the world, if that province has not the financial resources to give the children within that province an equal opportunity of education with the children in other provinces, should we not be allowed to assist them in promoting the type of education that they, not the federal government, want to see tried. I said something the other day to the hon. member for Gloucester (Mr. Robichaud) about that lacuna, that void, which will exist in the system of education even after this legislation has been passed. I shall not repeat it here. We shall have the opportunity to do that on another resolution which follows closely in the wake of this one.

We should consider this, that the results of such education, its efficiency and its scope, have a tremendous effect not only upon the provinces but upon the nation as a whole. In these days of fast transportation people are not stuck in any particular province. They are travelling all over the country and they are having an influence upon the whole of the country. Think of the educationists in the province of Nova Scotia who have been so famous in that they have disseminated education of a high quality throughout the country. In the early pioneering days of the west our professors came from that multi-university province which is penalized today by that very efficiency and that very demand for education because of the method by which the university grants are distributed, namely the per capita method. We find such a percentage demand for university education in Nova Scotia that that ultimately reduces the amount per student almost to half what it is in some other provinces.

May I say this province has schools of a type that are not available in the other provinces, professional schools if you like to call them, and I think there are none of those, for example, in the province of Newfoundland. You get an influx, therefore, from the other provinces into Nova Scotia with the result that Nova Scotia is penalized in regard to the amount of the grant per student attending their schools of higher learning.

I was saying that provincial education, no matter what type it is, must be a type prescribed by the people themselves, and that the province—this is the repetition, Mr. Speaker, in which I have been saying it is necessary to indulge—let me say that the whole nation is affected by the efficiency of the education in each one of these provinces. We have come to the conclusion that we must develop our human resources just as we have the inclination—perhaps not from as good a motive—to develop our natural heritage. These human resources are those fine young men and women who are your children and mine. We have come to recognize that if we are to develop to the full extent our natural heritage and to develop it for the good of future generations, then amongst this still small population of ours there must be the leaven or the yeast of developed minds.

Our urge toward this end has been stimulated—and I do not think it is the best of motives—by the rivalry of the example of others. I need not point out to you the magnitude of the efforts in regard to scholarships that have been made by certain eastern European countries with whose ideologies we do not agree and who are anxious to prove that their whole system is superior to ours. I remember quoting last year a startling statement by Mr. Burke Stannard—perhaps I can find it. Incidentally, he may be surprised to know, if he does me the honour to read this speech, that I knew him very well as a little boy. He made this statement in that startling argument:

> In 1918, Russia had one university for every 1.5 million population; Canada had one for every

315,000. Today, Russia has one university student for every 150 population; Canada has one for every 250.

Mr. Stannard's article was published in the *Financial Post* on December 18, 1954. This is the situation we find in our country of Canada which calls itself progressive.

Well, I said those nations, and particularly Russia, have a great system of scholarships, much greater than any foreshadowed in any legislation that is for the moment proposed here. Yes, and some friendly nations, too, whose ideas in general are akin to our own, have left us far behind in this particular matter. Seventy-five per cent—I think this figure has been bandied about; the hon. member for Kamloops (Mr. Fulton) may not endorse the figure for he insists it is 74 per cent, but we shall let it go for the moment—seventy-five per cent of all students attending British universities do so with government assistance of some kind or other, and the majority of that assistance is in the form of scholarships. It is equally true that 70 per cent of all the expenditure of universities in the British Isles is provided by the state. Having in mind the success of their system, I would urge that the scholarships advocated here be granted—and note this carefully because I think it is important—be granted upon the basis of need plus ability, not on the basis of need, not on the basis of ability, but on the basis of need plus ability.

I was intrigued a bit by the last speaker, the hon. member for Brantford (Mr. Brown), who quite unconsciously used the term "the working man". You could see back of his thinking there is the tradition that because a man's father is a working man he has no chance to go through university. He cannot go to university perchance because his father worked. Well, there is a big principle, a big idea behind that. We are changing all that now. "Nous avons changé tout cela", said Molière in the play "Le médecin malgré lui". It will change more and never again will it be part of our language to say that a boy did not go to school, he did not go to university because his father was a working man. Those who are philosophers might think that over. There must, of course, be no distinction in regard to the stratum or the position that students occupy in society, in the granting of assistance to them. Hon. members would expect that remark to come from me. The finest brains are not necessarily found in any stratum of society.

It is most important that students of ability, whose parents could never hope to send them to university or to maintain them at a university, should have the opportunity to attend. Nowadays ability to learn and aptitude for learning are easily discoverable by scientific methods quite early in life. Clever and hard-working students are recognized under the British system by their methods there, and once recognized are encouraged toward further advance by a system of what is called "free places" in higher schools, and are the recipients of the scholarships such as are envisaged by my hon. friend. In Britain students are often chosen by competitive examination. Thus the best brains of the country are retained in the service of the nation and in the service of their fellow men.

When I was talking a little while ago about the educational results in the provinces I was thinking of a Quebecois, or a man from Saskatchewan or from Manitoba or British Columbia. He gets his education here or there but he is fundamentally a Canadian, and by his ability is the country of Canada judged.

I do not know enough about the British system, either of its merits or of its demerits, if it has any of the latter, to debate it in detail here, but I would urge those who are responsible for the award of those scholarships which are envisaged here to examine the machinery I have described, when they are setting up the system of scholarship awards in Canada.

I am glad, sir, that it appears in the projected giving of scholarships some attention will be paid to the humanities. When I say "attention" I mean extra attention. In the past there has been a tendency to favour the sciences, and that tendency perhaps has been natural enough in a country that has found it necessary to develop defence programs where men of science are in particular demand. It is natural, too, in a country which has set out to develop its great natural resources. I have no quarrel with scholarships in the scientific field; in fact I would urge an increase. But I think there should be a balance. Scholarships are scanty enough in our country, goodness knows, and I look with pleasure upon their being increased no matter for what educational purpose, but I think we should have that balance.

Let me say categorically it is my belief there is no better basis for an education, even for those who are later going to enter the field of specialization, than a broad grounding in the humanities, known sometimes, Mr. Speaker, as a liberal education. With this increase in national scholarships there will be a corresponding need for assistance to universities in order that those universities shall be able to provide the increased facilities which will come from increased enrolment owing to the scholarships.

I need not explain to this house that I have always pleaded for greater equality of

opportunity in education. I must confess that for the most part my thinking did relate largely to the primary and secondary schools. Such equality of opportunity could extend—nay, would extend—to all those who are attending school. If all children had that opportunity it would extend to all the mass of secondary students who would be available for the granting of the scholarships envisaged in this resolution.

Although I could have made a better case today by quoting a great many authorities on education, of which I am not one, I have up to this point expressed my own thoughts. After I had already made up my mind what I might say this afternoon there came into my hands a brochure which I would recommend that all hon. members of this house read. The documented arguments for the granting of university scholarships have been presented in a masterly and convincing fashion in this little booklet by experts in the field of education. The booklet is entitled, "The university teacher and the crisis of higher education in Canada," and it was presented as a brief to the royal commission on Canada's economic prospects by the Canadian Association of University Teachers. I am going to follow my announced intention not to quote from the authorities this afternoon but I would hope that the people in this house who are interested in this subject would read the arguments and recommendations contained in this brief. I have perhaps a particular interest in its because the chairman of the association which issued this report is Dr. V. C. Fowke who is a professor of economics at the University of Saskatchewan situated in my own constituency of Saskatoon. My purpose in mentioning the booklet is simply to recommend a study of it to all those who are interested.

I am well aware that in the matter of intelligence Providence has not distributed its bounty with an even hand. I am also well aware that there are many whose capabilities do not lie in the direction of higher education but who nevertheless make a very successful and happy life in other fields. As one who has struggled with high school students for a part of his life at least I am also well aware that there are those who are not prepared to do the work necessary for the attainment of higher education and sometimes for the attainment of even an elementary education. One has to come to a decision here, but putting these things together let me say at once that I am not prepared to ask the nation to subsidize the cost of attendance at schools of higher learning of those who either cannot or will not put forth the necessary effort to take advantage of such an opportunity when it is presented to them. But concerning those who have the ability, that is an entirely different matter. To those who have any marked degree of capacity to learn combined with a willingness to work, let us be generous. Let us be generous almost to a fault, not just for their own sakes, but for the benefit of future generations, and for the benefit of a future Canada which they will make great in proportion to how well they are equipped to create it.

Mr. H. M. Batten (Humber-St. George's): It is with much pleasure that I support the resolution on scholarships introduced in the house on January 26 of the last regular session and reintroduced today by the hon. member for York Centre (Mr. Hollingworth). I would also commend him for his efforts in presenting this resolution at a time when all across this country there is a growing interest in the need for and the needs of education, at a time when more than a little concern is being expressed by those whose duty and responsibility it is to administer systems and institutions of learning so essential to the progress of this country, at a time when those who have need for trained personnel are finding that the supply in many fields is far too short. Many have expressed quiet concern while others have been more pronounced in their opinions as to the current problems in education as well as the difficulties which will need attention in the immediate future both at the high school, technical school and university levels.

Within recent months there has been great emphasis placed on the need for more graduates in the professional fields. I do not believe that the position has been overstated. The need is great and I suspect that it will be so for some time. Indeed it may be a good omen that our economy has so expanded as to demand such large numbers of technical and professional graduates, but at the same time it must be admitted that such a demand may not be an indication of strength if the facilities for supplying that demand are not present, or not capable of being provided.

But while we do live in an economy where vocational training and professional faculties are vital and essential, and while we know that these faculties will have to be expanded to meet our growing technical needs, we must remember that something more than the practical must be taught if higher education is to make the contribution which a democracy such as Canada will demand of it. I am not trying to lessen the importance of the need nor the value of the science courses when I say that we could take all the

science courses out of our universities and there would still be a place for the university in Canadian society. Education is not only a preparation for making a living, but also for living a life. We must be careful not to introduce economic conscription into our educational system at the expense of the real meaning and the real need for education in its broader sense. This is one of the reasons why I welcomed the resolution dealing with the Canada Council and aid to universities introduced by the right hon. the Prime Minister (Mr. St. Laurent) a few days ago.

We live in a land which over a period of a few years has become industrialized to a comparatively high level. Today there is need for more trained personnel in nearly every field. Without doubt this is true in the various fields of applied science and in all those where technical knowledge is essential. Dr. O. M. Solandt, former president of the defence research board, in speaking to the Canadian Industrial Preparedness Association two years ago said:

> If we are to remain free we must contribute more and more to the scientific advances of the free world; if we are to remain prosperous we must do the research and development that will enable us to produce more and better goods more cheaply in order to compete effectively in world markets.

This statement coming from such a prominent Canadian scientist merits the attention of all Canadians who attempt to envisage the possibilities and potentialities of this great land.

In the development of the material side of our economy, the individual and his development must not be obscured. It has been said that the wealth of a nation depends upon production and that in turn production depends upon the available quantity of different raw materials plus the labour involved in producing goods for which there are profitable markets. I suppose all of us would agree that this is not a complete definition of national wealth, but in whatever definition modern economists might give for national wealth, materials and labour would be prominent. These two must go together if there is to be production. It might well be said that these two are so interdependent upon each other that they are of equal importance and yet I believe that in a land where there is a high potential source of labour and a high potential source of material, the source of labour, whether that labour be unskilled, semi-skilled, skilled or professional, must have precedence for its existence and for its improvement.

I should like to quote Protagoras, that great Greek philosopher of the third century B.C., and an older contemporary of Socrates. I quote him for two reasons; first, because the statement which I want to use is attributed to him, and second, because in a discussion on the present means of education it may be appropriate to quote the man who is recorded by history as being the first to teach for payment. Protagoras said:

> Man is the measure of all things.

One of the problems of our time is to reconcile the dignity of man with the technical achievements of modern society. The real measure of a modern industry is its power to preserve our human values while adding to our material heritage. We must remember that man is not just another link in the productive chain, he is the very reason for its existence.

In this day it might be well to ponder why it is that such large sums of money are spent to refine our natural resources by government and industry when so much of the attempt to improve our human resources is left to individual effort. So I would like to have as a characteristic of any scholarship program which may be in existence now or which may come into being as a result of this or any other resolution, equality of opportunity for assistance in the arts and humanities as well as in the sciences.

May I turn now to another phase of this problem. Generally Canadians are aware that under the British North America Act education is essentially the responsibility of the provinces. I believe it was a wise decision then and I consider it to be a wise decision today, almost a century later. I do not think that a centrally controlled system of education would be a good thing for a country like Canada. However, this is not the time to discuss the merits or demerits of such a system. Suffice it to say that while I believe that the practice of education should be within the jurisdiction of the provinces, I also believe that as our national life becomes more complex, as our interprovincial relations and dependencies lead us toward a unity in multiplicity, and as provincial standards in any phase of living must have an effect on similar standards for the nation as a whole so a responsibility which is essentially provincial may have a national aspect which will demand attention.

At this time I do not propose to project this argument beyond the limitations of the present resolution. I think that such scholarships as this resolution envisages would do much to offer encouragement to those who are handicapped by conditions of geography and finance, to decrease our losses in wasted brain power, and to conserve and develop those human resources of talent and ability which Canada will need in the years which

lie ahead. And so the second characteristic of the program suggested by this resolution that I would welcome would be that such scholarships be open to students from all regions of Canada and that they be tenable at any Canadian university, always provided that the student is able to satisfy the entrance requirements of the university of his choice.

In a scholarship program I should also like to see provision made for those who pursue education courses at university or in teacher training institutions. I know that in all provinces efforts are being made to attract young men and women into the teaching profession, and while there are other important factors affecting the low rate of recruitment, encouragement should be given where possible. The teaching profession must not only perpetuate itself by preparing those who will later enter the profession, but must prepare those who will go on to study in other fields in our higher institutions of learning. I believe that a successful effort to place within the day schools of this country teachers who are qualified will do much to decrease the tremendous waste indicated by the large numbers who fail to reach the standard during the first year of university.

In many provinces of Canada there is a desperate need for qualified teachers. It is noteworthy that while many university faculties have been overcrowded teacher training institutions have been operating with less than the numbers which they could normally accommodate. In 1953 there were 142 institutions in Canada for the training of teachers. The reported enrolment capacity was 16,260 while the actual enrolment was 12,424. In other words, at a time when the demands for recruitment to the teaching profession is urgent, our teacher training institutions are operating at 76 per cent capacity. In the Atlantic provinces these institutions operated at 57 per cent of the possible total enrolment.

In my own province of Newfoundland the shortage of teachers is something more than serious; it is critical and alarming. There are not nearly enough trained people to staff our schools and even after employing those who are not qualified there are still schools, particularly in the outlying areas, where no teacher supply has been possible. The situation would be further aggravated if the teacher load were reduced to thirty pupils per teacher.

On Wednesday of last week a conference was called in St. John's to discuss the various phases of this problem in a very serious minded manner. Public concern was well emphasized by the presence at that conference of many who, although not directly engaged in the field of education, recognize that in the regional development of our province education must play an important role. Regardless of statements that we have heard floating around about the maritimes in the last few days, we in Newfoundland have been there for over 460 years and I assure you, Mr. Speaker, that we will be there for a long time yet. But if Newfoundland is to occupy the place in the Canadian federation which I think it is capable of occupying we will need to develop not only the natural resources of the area but also the human resources by providing schools that will develop independent thinking based on knowledge of the past, understanding of the present and good judgment about the future. To do this we will need not only the encouragement and assistance of scholarship programs, the Canada Council, university aid and vocational training but also the assistance of any other sources which may be available to us.

In recent months there has been evidenced a great deal of interest in the progress being made in other countries in education, particularly in the different fields of applied science. There is very little need to repeat here statistics dealing with university enrolment in other countries. They have already been presented to the house over the past few months. It is a good thing that we know what others are doing and I think it is important that we should know what others are doing but I suggest that the really important comparison is not to compare what Canada is doing now with what other countries are doing but to compare what we are doing now with what we need to do in this country to satisfy our requirements for national defence, to maintain our position in the community of nations, and for the development of our own country to the limits of which it is capable.

A comparatively new word has come into the English language, Mr. Speaker, that word being automation. I suppose we could define it as the process in industry by which production is operated, regulated and continued automatically. In a country such as Canada, with its present industrial development and its future potential, one would expect that we should look forward and anticipate the advantages which automation has to offer. Some fear that such a process will result in further unemployment. I do not believe that such need be the case. True it is that there may be less demand for unskilled labour but I believe there will be many more opportunities for better employment available to those who are qualified to take them.

The efforts of the provinces and the federal government under the Vocational Training Co-ordination Act, which has been in effect for the last 18 years, have been commendable. The continuation and extension of the schedule will not only do much to provide the many technicians Canada will need in the years that lie ahead but will do much to eliminate the waste in that segment of our youth who have the ability to engage in technical pursuits but are hindered by financial or other reasons from acquiring those skills which industry will demand of them.

Finally, Mr. Speaker, may I say again that I support the purpose of the resolution as I would support the purpose of any resolution tending toward the fuller development of the mental, physical and spiritual values of the people of the country, for I believe that it is by such development that we will be able to produce Canadians who are strong and sound individuals and at the same time individuals who are sound and strong Canadians. I believe that it is by such development that Canada will be able to produce that type of Canadian who will work more effectively in the society in which he lives and at the same time live more abundantly in the society in which he works.

Mr. J. A. Smith (Battle River-Camrose): Mr. Speaker, I am very happy to be able to take part this afternoon in a debate on such a worthy resolution as the one now before us which the hon. member for York Centre (Mr. Hollingworth) saw fit to present to the house again this year. I have listened with a great deal of interest to the remarks made by former speakers in the debate, and with many of the arguments advanced in support of the resolution I agree entirely. However, I was particularly impressed with one reservation respecting the resolution advanced by the hon. member for St. Paul's (Mr. Michener), and I must say that I think the particular reservation he made in his speech is one worthy of great concern.

I wish to commend also the hon. member for Saskatoon (Mr. Knight) for again speaking at such great length on a problem which has for years been very close to his heart. We look upon the resolution as one actually twofold in its purpose. First, it proposes to enable university students now in attendance at universities across Canada and who find themselves unable to continue their studies because of a shortage of funds to be able to continue. Second, it proposes to provide funds which will be used for worthy graduates from our secondary schools who also find themselves with insufficient funds to embark upon university studies.

The resolution is indeed pertinent at this session in view of the proposed government legislation along the same lines. For far too long we have had too many people in Canada giving pious lip service to the saying that Canada is a land of equal opportunity for all. As one travels across Canada and as one listens to the speeches delivered in the house by hon. members from various parts of the country, one cannot help but realize that Canada does not offer equal opportunities for all. This is particularly true in the field of education.

I was impressed with the remarks of one hon. member this afternoon when he pointed out that down through the years educators from the province of Nova Scotia have been leaving that province, going to other provinces of the dominion and offering their services as educators. That is quite true, and perhaps as a result education has suffered somewhat in the province of Nova Scotia. On the other hand, we in other parts of Canada have gained considerably from the talents these people have brought to other parts of the country, particularly western Canada.

The matter of scholarships and bursaries has given the government of the province of Alberta great concern over the past years. That government has already embarked upon a co-operative scheme involving the province and divisional and other school boards throughout Alberta for the purpose of giving bursaries and scholarships to graduates of our high schools in Alberta to encourage them to enter the faculty of education in our province.

The shortage of teachers throughout Canada has already been mentioned. From my own school district, a district for which I worked many years, we have in attendance in the faculty of education at Edmonton this year 16 former students. Out of this number of 16 students in the faculty of education, only one happens to be a man. I am not for one moment discounting the value of ladies in the teaching profession. However, I feel that any profession, particularly that of education, requires the help at least of a certain number of men.

I have already mentioned the bursaries and scholarships which the provincial government and the school divisions are jointly providing for graduates of our high schools in Alberta who enter the field of education. The province of Alberta a few years ago established what was known as the students assistance act. This act provides to university students scholarships which will entitle them to enter any faculty at our university. Again, our province has seen fit to establish what is

called a revolving fund. Students desiring to enter the University of Alberta can borrow from this fund an amount equal to $400 a year. This amount of $400 a year is given to the students at a low rate of interest. Since it is a revolving fund the students, upon graduation, are expected to pay the money which they borrowed from the fund back to it. The money is paid back in annual payments of $200 commencing at the end of the first complete year after graduation. I feel that we in Alberta have gone a long way towards encouraging the graduates of our high schools to enter our university. On the other hand, I recognize that limits are to be found in provincial revenue available for this purpose and that perhaps we have gone about as far as we can go. Certainly we in Alberta would readily accept the assistance of the federal government in this connection.

We are continually reminded, Mr. Speaker, in this house, through the press and over the radio that the U.S.S.R. is going all-out in the matter of encouraging the young people of that country to enter the institutions of higher learning. We are informed that this encouragement is particularly strong in the field of engineering and in other associated scientific courses. We are spending billions of dollars each year to maintain a defensive war machine to protect the free world from communist aggression. With this expenditure I have little quarrel but I do feel that we must also give increasing attention to the educational development of our young people so that we shall have in Canada an enlightened group of young people who are not only capable of matching the wits and the minds of the young people of the communist world but who are willing and able to take leadership in the establishment of a truly free world where peace and goodwill will reign eternally.

Mr. Fernand Girard (Lapointe): Mr. Speaker, may I extend my sincere congratulations to the two members who have spoken a few words in the French language. I wish to congratulate them not in the name of the French Canadians whom I represent in the house but in the name of all Canadians in the country because the country as a whole shares in common the two precious cultures of our national character.

(*Translation*):

Mr. Speaker, I have been listening attentively to the speeches which have just been delivered in support of the resolution now before the house. Though each and every one of the speakers carefully pointed out that he would favour the introduction of such legislation only in so far as it would respect provincial rights in matters of education, I must admit that, as far as I could see, they gave no reason why we should believe that those exclusive provincial rights in the field of education could really be respected in the implementation of this resolution. Nevertheless I do want to pay tribute to its sponsor. He does indicate that he only wishes to attain his objective, as he spells out in his resolution:

. . . in so far as it falls within the competence of parliament.

Those words are to be found at the end of the resolution itself and may be said to provide cause for repeating the latin saying: *in cauda venenum.*

That condition is one of the reasons, and the main reason, so far as I am concerned, for opposing the resolution since it does not offer sufficient guarantees as to how it might be achieved without impairment of exclusive provincial jurisdiction in matters of education.

Of course each of the speakers carefully pointed out his personal desire to respect those rights. That is also, I believe, the intention of the sponsor of the resolution. Still I think that if we enter the field of education, one reserved to the provinces, we have no means of knowing what, in ten or fifteen years time, will have become of all the good intentions of those people who stated their desire to respect those rights.

Along with the hon. gentlemen who have spoken before me, I recognize the crying need which is apparent throughout our country for an increase in revenue for educational purposes. I believe that on this point even the most resolute champions of provincial rights, who deny that the federal government has any right whatever in this field, will recognize the tremendous requirements of this country with regard to education. That is no justification however for the federal government to enter the educational field.

One, or even two hon. members, one on each side of the house, advanced the argument that the whole of Canada was affected by education which is provided in any given province. Now that is one of the arguments which, to my mind, were taken from the Massey Commission Report and which have been advanced in support of the theory that universities are of general national interest, a fact which has allowed the federal government to interfere in university education as it is doing now.

Let us take the same argument, let us apply it to primary education; we will then be able to adduce the very same reasons in support of the theory that primary education has national consequences. Let us take all the fields reserved to the provinces by our constitution. It can always be claimed that

everything that a province does may have repercussions on the nation as a whole, an argument which will bring us, little by little, to the taking over of each and every provincial prerogative.

Since we are all agreed on the necessity of aiding education, why do we not return to the provinces the taxation rights which were borrowed from them, and thus enable them, according to the terms of the constitution, to meet their commitments, which they have, in fact, no thought of denying in the matter of education.

Then again, of course, it could be claimed that it is not so in the case of the poor provinces since they might not be in a position to meet their educational obligations without federal help, and because the federal government keeps those taxation fields it has borrowed in order to help those very provinces. Nevertheless, Mr. Speaker, I am far from convinced that the rights which have not been returned to the provinces are being used solely to help the poorer provinces. I am very hopeful, along with every hon. member in this house, that the day may come when representatives of the provincial governments and of the federal government may meet around a table and settle once and for all this problem of taxation rights, which is at the basis of all problems connected with education submitted to the federal government, so that provinces may enjoy rights which are really theirs and each and everyone of them may, according to the spirit of the constitution, meet the obligations placed upon it by the constitution. It would then be possible not only to take into account the needs of the poorer provinces, but also to restore to the others those powers which are exclusively theirs according to our constitution. It would solve this recurrent problem, one that will crop up once again when we will be called upon to discuss legislation providing for university grants or the trans-Canada highway, or the Unemployment Insurance Act, where there has been federal government interference.

As long as the federal government continues to interfere in provincial matters, we will be faced with the same problem, that of the resdistribution of taxation powers. We must ensure that at each level of civil authority the proper body is in a position to meet its obligations with sufficient funds. We will then no longer see a central government plagued with a surfeit of money while those really in need of revenue are deprived of the means to meet their obligations. We will no longer hear this government say: "Well, the state must now look after education since the provinces are not in a position to meet the cost" because they would have been deprived of their taxation powers.

In conclusion, Mr. Speaker, I must say that I was a little surprised this afternoon to hear some hon. members draw comparisons with the educational system of Russia.

It might be true that in Russia more money is spent on certain forms of education than in Canada. I rather think, however, that if Canada were to resort to the same means, abolishing private enterprise and chopping off heads, etc., we might solve all our educational problems. But that is hardly a fair comparison. I do not think, in fact, that hon. members really wished to set up Russia as an example of what should be done in the educational field, because the means employed in that country are a denial of those sacred rights which we seek to promote through education.

I will now bring my remarks to a close. I shall have further opportunity to deal with this topic when we will take up the matter of university grants, one closely connected with the resolution we are discussing this afternoon.

I congratulate the hon. member for York Centre (Mr. Hollingworth) on the spirit in which he moved his resolution, because I really believe that he sincerely wishes to bring a solution to a need which everyone recognizes but, neither in his resolution nor in the speeches made this afternoon, can I see how, in supporting his motion, we can preserve the exclusive rights of the provinces in that field.

(*Text*):

Mr. W. G. Dinsdale (Brandon-Souris): The encouraging part of a discussion of this kind, to me, is the growing interest that is being displayed on all sides of the house in the subject of education. Very often the political pundits dwell on the notion that it takes a long time for democracy to respond to a critical situation in the body politic. I am sure it is encouraging to note that even where we have a government that is as well insulated from the impact of public opinion as is the present Canadian government, there is a gradual response to what has been described by many authorities on the subject as a crisis in education.

We have before us, under the title of "Notices of Motion", no less than two resolutions from private members dealing with the important subject of education. We have also a resolution from the government itself

which parallels very closely the subject matter provided for discussion by this resolution put forward by one of the back benchers supporting the government, the hon. member for York Centre. The third resolution is the regular resolution we have had on the subject of federal aid for education sponsored by the hon. member for Saskatoon (Mr. Knight).

It is quite obvious that there is a growing need in this country for a comprehensive examination of the problem of education in general. Not only is the interest growing in this chamber but during recent months we have had repeated representations from various educational bodies outside of this chamber. The national conference of Canadian universities has been urgent in bringing recommendations to bear upon all hon. members of parliament. The teachers' federation, in equally strong terms, makes reference to the problem. Most encouraging, however, is the new interest of leaders of industry and business in the needs of education today. Admittedly this interest arises largely from the crisis, if I may use that word again, that is occurring in connection with the shortage of technicians. Down through the years industry and business has not assisted in an overly generous way in meeting the problems of education, particularly on the higher level. In the past few months, especially last fall, they have demonstrated in no uncertain way that they regard the present situation in Canada as a real crisis. They are moving in a fairly rapid way to come to grips with the problem.

The resolution which we have before us this afternoon deals with only a small phase of the difficulty. As I read it, Mr. Speaker, it is asking the government to consider the advisability of introducing legislation to provide national scholarships and bursaries for students at the university level who are in financial need. Now, that meets one small segment of the difficulty; but what we are faced with today is a crisis in education at all levels. The Canadian population is increasing and we are moving towards an industrial economy. There are very rapid changes taking place in the Canadian way of life. We are moving towards a more complex type of society. It automatically follows that new skills and new knowledge are required in order to heal the schisms that tend to flourish during a period of rapid social change and during a period of rapid movement to a more complex society.

Related to the problem of education on the university level is the problem of education on the elementary and high school level. It is quite true that a major difficulty in the lack of sufficient recruits for our universities and colleges is the economic and financial difficulty. However, there is also the factor of lack of incentive and this is something that has to be dealt with on the lower levels of our education system, the elementary and high school levels. It is only recently that our school systems in the various provinces have introduced any form of vocational guidance program. One of the encouraging improvements in the approach to education on these lower levels, I feel, is the establishment in the province of Ontario, for example, of a separate vocational guidance program within the general public school program.

I am sure most hon. members, when they look back on their own educational experience, will agree that it was a process of groping and hoping; it was a hit or miss approach to the selection of some vocation, and very often time and money were wasted in arriving at the final niche in which we were to pursue our life's work. That problem is being met on the elementary level. This has a very particular bearing on the new need in an industrial society for hundreds, indeed thousands, of technicians. We have methods of testing now, intelligence tests, aptitude tests, which, within reasonable limits, make it possible for a student graduating from our high school program to determine whether he would serve most usefully by taking a university course in one of the professions or by moving on to training in the technical schools. With regard to the latter, unfortunately we do not have the type of technical schools in this country that will be needed to supply the training for this type of technician qualified to do the job in a technological civilization.

While I for one welcome the resolution, may I say it deals only with a very small part of the total problem that has been thrust upon us by the very rapid changes that have taken place in Canada and in every other country of the western world in the past 10 years. It will help, but the suggestion I am putting before the house this afternoon is that the time has come in Canada when we need a co-ordinated and a comprehensive examination of the education situation that has now reached the proportions of a crisis.

There is another aspect of education that we sometimes ignore, that is just as important as the high school level or the university level. I refer to the growing significance of the adult education program in this country. Up to the present moment this work has largely been carried on, on a voluntary basis, by the Canadian Association for Adult Education, an association that has made rapid

strides in recent years, and has made a very worth-while contribution to the general solution of our educational problem. In recent years some provinces have been taking an increasing interest in this growing educational need through their adult education departments and also through their university extension departments. But here again, Mr. Speaker, is an area of education that is going to grow very rapidly in its demands with the passing years. For example, we shall be faced in the next 20 years, if we are to draw conclusions from the findings of the Gordon commission, with a work situation where we shall have decreasing hours of work and a rising standard of living. That means we shall be faced with the problem of leisure time, what to do with the leisure hours that will be at our disposal as the work week gradually decreases as the result of automation, improved productivity in the industrial process, and so forth. This increased leisure time will constitute a real educational challenge to the nation. If we use the new-found leisure time arising from an increased standard of living in a constructive, a positive and a creative way it will add immeasurably to the enrichment of the lives of Canadians. On the other hand, if we fail to meet this challenge of adult education then, of course, it will lead to a situation of frustration.

Some years ago a social scientist of some repute Thorstein Veblen wrote a book entitled, "The Theory of the Leisure Class". The basic thesis of his book was that it is from the leisure classes that the new ideas, the creative ideas, have emerged. Formerly, before the advent of machinery, the numbers of the leisure class were restricted to the landed aristocracy and to a very small segment of the population. Today, we are faced with a rapid expansion in that particular segment of the population. I say that is something that this parliament and all the representatives of the people, maybe more especially on the provincial level, will have to give heed to.

The criticism is often made when we discuss education in this house that we are dealing with a subject that has not much significance for a large portion of the population. The senior citizens, for example, are particularly mentioned in this regard. I would like to point out, Mr. Speaker, that perhaps the most useful part of the adult education movement has been the programs carried on among our senior citizens, the formation of second mile clubs. The idea that once a man reached the age of retirement he had nothing else to do but to retire to an institution for senior citizens and there vegetate for the rest of his days, is a notion that is rapidly passing away. While the theory is still far too prevalent, here is a group who have enjoyed long years of life, who have acquired considerable experience during their earthly pilgrimage, who could, if the opportunity were afforded, rather than merely existing in their latter days enter into a new and a rich experience of living.

I mention this broader approach to the problem because, while we are dealing in this resolution with a very small segment of the difficulty, namely, the provision of scholarships and bursaries for students at the university level, I think that a limited program of this kind—and I am making the reservation, of course, that out of our discussion of the Canada Council and the legislation that will be forthcoming we might be dealing in a more comprehensive way with this situation —I say that our resolution merely touches the fringe of the crisis in education.

Looking at it from the standpoint of the resolution we have before us, perhaps the most beneficial use to which bursaries and scholarships can be put at this stage is in assisting in the training of teachers. Already two hon. members who have spoken in this discussion this afternoon have dealt with the teacher shortage on all levels of our educational system as a main point in their remarks. This shortage is critical at the elementary and high school levels. I do not have to dwell on that aspect of the difficulty. In all parts of Canada there is a problem of adequately staffing our schools with qualified teacher personnel. I think it was Dean Gendron of Ottawa University who said, in a recent discussion of this question, that in the next five years 1,124 new professors will be required in the field of pure and applied science alone. That is just one small area of the whole educational field. If we are going to begin to cope with the crisis in education the first and primary need is for an adequate number of properly trained teacher personnel.

Why is it difficult to obtain teachers? That is a big subject in itself. Certainly it is because of the problem that the resolution attempts to deal with, namely that students who would otherwise enter university in preparation for the teaching profession are unable to do so because they do not have the necessary financial wherewithal. A great many of our teachers come from the rural areas and it is in the rural areas of the country that the greatest difficulty is found in providing higher education to the young people.

Another reason is the depressed salary schedules. This subject has been discussed

recently in rather influential quarters. Mr. Muir, president of the Royal Bank of Canada, in his annual statement dealt at some length with the matter of depressed salary schedules in the teaching profession and the effect they have in discouraging the recruitment of our young people for this profession. There is the prestige factor, too. One expression comes to my mind and it has been used with sufficient frequency that it has almost become an adage: "Those who can, do; those who cannot, teach". It contains a derogatory implication as far as the teaching profession is concerned.

Of course we all know the story of the professor who was nicknamed "Sanka" by his students. This story always draws a laugh from an audience which suggests there is an underlying attitude of derogation toward the teaching profession. Perhaps I may be permitted to repeat the story. A professor was given the nickname Sanka by his students. He did not understand the meaning of the word because it was foreign to him until one day he noticed the slogan on a can of Sanka coffee which said, "98 per cent of the energy has been removed from the bean". That is one factor which discourages an increased interest on the part of our young people in the teaching profession.

The hon. member for Battle River-Camrose (Mr. Smith) said there is a tendency for the male of the species to shy clear of the teaching profession and I believe this is true. Perhaps one of the reasons for the continuing chronic shortage of teacher personnel is the fact that the ladies have a greater tendency to become matrimonial casualties and thus are taken out of circulation. It is not the recognized thing for men to enter the teaching profession in the numbers required to meet the demand. I could go on speaking about this particular subject at some length because I think it is one of the major problems of education today. We have a shortage of money facilities and personnel right down the line but until we have an adequately trained teacher force to deal with all the aspects of this problem then we will not be able to cope with what has been described by responsible people in all walks of life today as a crisis in education. This resolution might well be designed to encourage an increased interest in teacher training facilities and activities.

With the present trend toward bigness and centralization on all sides as we move toward a complex industrial society there is a growing tendency to neglect the smaller institutions of learning. Reference has been made to the outstanding contributions to education which have come from our maritime provinces.

Some hon. Members: Hear, hear.

Mr. Dinsdale: I am surrounded by maritime members who are saying "Hear, hear" and I think I am right when I say that most of these institutions are small institutions.

Mr. Nowlan: They are smaller in quantity but not in quality.

Mr. Dinsdale: An hon. member says they are smaller in quantity but not in quality and that is just the point I was about to make. By preserving that smallness in size they have been able to preserve the fundamental emphasis in education. In some of our larger provincial universities the campus population is moving upward to 10,000, 15,000, 20,000 and 25,000 students, and when we are faced with numbers of those proportions I think the essence of the educational process tends to be missed. I might be prejudiced in this regard because my own teaching experience and my own college experience for that matter was pretty well restricted to one of the finest smaller liberal arts colleges in this country, a college which maintains a student body of around 300 to 400.

Mr. Nicholson: That wouldn't be Brandon College, would it?

Mr. Dinsdale: Yes, you are correct. Brandon College retains the close personal relationship between instructor and student that is necessary if we are going to have a truly educated person. The smaller colleges face financial problems which are on a proportionate basis, perhaps even greater than those faced by the larger universities. They tend to be ignored completely in grants made by large foundations, and this applies particularly to the smaller liberal arts institutions. They are neglected by governments too. For example, I have the latest financial statement of Brandon College and am surprised to discover that the provincial grant to that institution, which was established at $22,500 in 1938, still remains at the same level almost 20 years later notwithstanding the increases which have occurred in the cost of living and so forth. That grant still remains at that relatively insignificant level.

It suggests that the province of Manitoba is not able adequately to support this important educational work being carried on by an institution of this nature. I could support my argument by pointing out some of the illustrious graduates of Brandon College.

An hon. Member: Premier Douglas.

Mr. Dinsdale: Yes, Premier Douglas of Saskatchewan and Douglas Campbell of Manitoba. Then there is Mr. Grant Dexter of the press gallery and the late J. C. Bowen, who was lieutenant governor of Alberta.

Mr. Nicholson: Winnipeg North Centre.

Mr. Dinsdale: And the hon. member for Winnipeg North Centre (Mr. Knowles). This is the type of person who emerges from the background of a liberal arts influence of this kind. This is the heart and soul of our educational process. It is in these smaller institutions that our teachers are largely trained. As the government is taking an increasing interest in this problem, as is industry and business also, I do hope that the importance of the liberal arts institution will not be ignored.

As I said at the outset of my remarks, we are living in a day of complexity. There is a tendency away from the university emphasis in institutions of higher education toward multiversity. With the growing number of faculties required to supply new skills and knowledge in the type of society in which we live, we are faced with a series of mutual unintelligibilities in connection with the various new areas of knowledge where each body of knowledge is building up its own separate jargon, its own gobbledegook.

The heart of our educational system is the teaching profession and the source of teacher training needed to cope with the problems of today is the small liberal arts institution. This idea is summed up in words, I believe of Tennyson, although I cannot be sure of the source, who said:

> Let knowledge grow from more to more,
> But more of reverence in us dwell;
> That mind and soul, according well,
> May make one music as before;
> But vaster.

Mr. McIvor: Would the hon. member permit a question? It has been acknowledged by professors whom I have known that the influence of the small college is far greater upon the future life of a student than that of the large university.

Mr. Dinsdale: I agree heartily with that observation.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. H. P. Cavers (Lincoln): Mr. Speaker, at the beginning of my remarks this evening I should like to offer my congratulations to the hon. member for York Centre (Mr. Hollingworth) who has again presented this resolution to the House of Commons for discussion.

Mr. Castleden: The hon. member for Saskatoon (Mr. Knight) did it 12 years ago.

Mr. Cavers: I realize that the hon. member for Saskatoon has on several occasions, on the speech from the throne and again today, spoken about federal aid to education.

Mr. Castleden: Twelve years ago.

Mr. Cavers: I was not here that long ago so I am not able to recall that far. However, I know that he is an outstanding educationist in his part of the country. The hon. member for York Centre is a young man of outstanding attainments who comes from an area which would be expected to direct its undergraduates to one of the larger universities of Canada. But I am sure that in presenting his resolution he is motivated by the genuine desire to advance education and universities in all parts of Canada.

I feel I have a right and an obligation to speak on the resolution, the purpose of which is to provide national scholarships and bursaries at the university level for students who are in financial need. In 1930 I was one of those who had enrolled in a university course. But in that year I had the misfortune to lose my father and I had to decide whether I would continue the university course or pursue my studies in the law. I left the university at that time and continued in a legal course. Therefore I feel that from a practical standpoint I should say something on the subject.

This afternoon the hon. member for Humber-St. George's (Mr. Batten) placed his finger on the principle involved in the discussion when he referred to the pith of the argument being "equality of opportunity". The basis of my argument is that we should make available to all young Canadian students who have the aptitude and the desire for further university training the opportunity to pursue the study of their choice in whatever course they desire to continue, whether it be English and history, political science and economics, modern languages, the sciences, medicine, dentistry or the law.

While I speak in support of the resolution for the adoption of national scholarships and bursaries, I do not feel that we should do away with the opportunity for students to help themselves. There is a great need for students to work hard, indeed, to work very hard in order to earn the financial resources to assist in obtaining a university education. I think that not only must the

student work hard at the course of his choice in order that he may attain high standards but that it is not a bad thing that he should be required to work hard in some type of physical or business activity. The beneficial effects of part-time summer employment or work during the Christmas holidays are manifold. In my opinion the appreciation of money earned is advantageous to the student and there is the pride of achievement in having assisted oneself in one's work at the university.

We have heard today something of the obligations and problems that arise from the constitutional standpoint. Canada's federal structure has placed within the jurisdiction of the provincial legislatures the right to deal with matters of education but I feel that it is rather matters of the curriculum of study and administration of schools that were meant to be under the jurisdiction of the provinces than the question of financial assistance. There are real problems to be overcome in the matter of jurisdiction when we discuss any scheme of scholarships or bursaries for students at the university level. I accept all these considerations but I still feel there is an urgent need from the point of view of the students of future years.

It seems to me that we must have a national system of scholarships similar to that blueprinted or outlined in the recommendations of the Massey royal commission on the arts, letters and sciences submitted in 1951. In that report the recommendation was made that federal aid to education, particularly to students who desire to pursue a university career, would be advantageous to the country.

There exists at the present time a long-term shortage of professionally trained personnel. I realize also, as has been mentioned by previous speakers, that all Canadians cannot attend university. Some by reason of inclination and others by reason of natural aptitude are not suited to attend university, but for those who have the desire, for those who have the mental and natural aptitude, every opportunity should be given to pursue a career for which they have been professionally trained.

I am informed by many businessmen that such people are needed in their businesses and that the availability of such personnel is inadequate to meet present day needs. One firm in five anticipated a serious shortage of trained personnel in the years 1954 to 1956. One in four business firms have said that they are short of personnel at the present time. In addition to business administration courses that are required by many young Canadians, mechanical and electrical engineers are in the shortest supply. A survey conducted about two years ago indicated that 39 per cent of electrical appliance manufacturing firms in Canada and 31 per cent of the chemical, oil and petroleum firms felt that their needs could not be satisfied by reason of lack of graduates or inadequately trained graduates for the particular purpose for which they were required.

The steel and iron industries throughout this country which require skilled employees of a particular type have felt the pinch. They are hard pressed for trained engineers. In recent years we in Canada have been in the forefront in the development of atomic energy. Scientists, technicians, research employees, are required to continue the work that has already been set up. I am informed that skilled personnel have had to be brought in from our neighbours to the south in order to provide some of the skill, knowledge and expert opinion that is required in connection with this branch of work. I feel that our universities should be in a position adequately to supply the needs of our atomic energy development by providing qualified personnel to fill the need. Canadian industry is suffering from its inability to find trained people to do the jobs that need to be done.

Then, as has been so well said during the afternoon by the member for Humber-St. George's, one of the important phases of university training is that of providing qualified teachers. There is a greater shortage of qualified teachers in Canada today. My view is that the fundamental necessity in all teaching is that our young people should be provided with adequate teachers. In order to provide adequate teachers we must provide adequate salaries for those persons who are trained in that vocation. The teacher shortage will perpetuate the shortage of trained technicians. I think this is so particularly in the sciences. If we have not adequate well-trained teachers we cannot hope to produce the type of skilled research scientist that is required in this country.

I come to the question of the cost of education which was mentioned earlier today. In recent years education has become more costly than it was 25 years ago, largely because of the necessity for increasing the salaries of professors and the increased costs of upkeep in carrying on the universities of the country. In some of the professional courses we find that the cost of instruments alone in one year runs as high as $350. The cost of textbooks and tuition in the university ranges from $350 to $450 or $500 a year. The average student attending university must be reasonably well clothed. I suggest that decent

clothing is not available for much less than $150 a year. Those students who are not able to reside in the particular university centre that they might desire to attend have living expenses for a school term of eight months. I suggest that under present circumstances these will not amount to less than $500. The average requirement for educational costs would therefore be from $1,500 to $1,800 per student per annum. The student also has difficulty in providing for himself part of the cost of this training.

A survey made at the University of Alberta about five years ago indicated that the average male university student earns about 51 per cent of the cost of his yearly course or in the neighbourhood of $800 out of the required $1,500. The female students are able to earn much less than are the male students. In the survey it has been estimated that the female student is in a position to earn about 40 per cent of the cost of her university training or in the neighbourhood of $600 per year. It will thus be seen that the student is short approximately $600 to $800 per annum.

While I said that it was right and proper that students should work—and work hard—in summer vacations and during Christmas holidays, I think that part-time work during the student's school term seriously interferes with studies in any course. To that consideration I add the worry and financial anxiety which accompanies any shortage in funds and which does not assist the student in any way. Rather, I suggest that it detracts a great deal from the attention which the student might give to his work. When interviewed on this subject Dr. Sidney Smith, president of the University of Toronto, stated that he thought there was a greater financial drain on those students who came from other than university centres than upon those whose homes were in the university centres which they desired to attend. Dr. Smith had this to say:

> It will be increasingly difficult for the boy in Swastika and Sioux Lookout to enrol . . . It will be a tragedy if universities become places where only the students who live near them are able to attend.

I suggest that is not the sort of thing that we desire in Canada.

It may be said that already a considerable amount of money is available for scholarships and bursaries throughout this country. I should like to compliment those foundations, clubs and organizations which desire to assist worthy students in furthering their university courses. The Edward Blake Memorial scholarships, the I.O.D.E. scholarships, the university women's clubs, the Massey foundation and the Leonard foundation are only a few of the bursaries which have assisted many worthy students in their scholastic pursuits. But unfortunately these scholarships or bursaries do not go far enough. The average sum which is available is comparatively small. It is an insufficient portion of the student's requirements or total expenses. This situation is likely to have a tantalizing effect upon the student who, having a smaller amount available to him, will feel that he is unable to pursue further the course of his choice.

Then there is the need to assist not only the brilliant student but the very good student. There are some students who would take first place and therefore would be awarded a scholarship. But there are still those very good students who might come second or third and who would not be able to avail themselves of the opportunity to accept the present scholarships.

It is my submission that scholarships, to be worth while, must be paid in the average of $500 to $600 per annum. I take this opportunity of complimenting the government upon the introduction of legislation a few days ago to set up the Canada Council. I feel that is the vehicle which can provide scholarships of this kind in order that needy students, worthy students, may have an opportunity to pursue their courses.

I should like to bring to the attention of this house another point which occurred to me and which I think is a very serious problem to be confronted, that is the psychological barrier which is placed across the minds of needy students, those who might feel that they have no right to aspire to higher education because of the fact that they come from ordinary homes. Students of any station should aspire to the highest standard of education, if they have the ability and the desire to do so. I have read the manuscript which the students federation prepared for submission to the national scholarship committee. In reading that brief I noted that on one instance certain students of high standing who might have qualified for scholarships had not applied to avail themselves of the scholarships that were offered for competition. They were not aware of the fact that they had the right to apply for these scholarships. They were not aware of the proper method of application. I feel we must overcome the inferiority complex of some students who might feel that they should not aspire to a higher education.

I am not aware of the proportion of Canadian university students receiving aid in comparison with those receiving aid in other countries. However, I have had the opportunity of reading the brief submitted by

the national federation of Canadian university students. In their brief they had this to say, and I quote:

> The proportion of all Canadian university students who receive assistance in some form or another is only about 15 per cent. In Great Britain, on the other hand, the corresponding figure is almost 75 per cent. Moreover in 1938, 14 per cent of Canadian university students received scholarships; thus we have made little progress in this respect in the last 17 years. In Britain at the present time a worthy student can obtain grants to cover the cost of both tuition and maintenance if the income of his parents is below a certain figure. In France education is virtually a state responsibility throughout. In the United States both Wisconsin and California make higher education of the best quality freely available to their residents.

I feel that in other countries, some older and some wealthier countries than our own, students are receiving aid. If we are to develop the young people of this country, and in so doing develop the national fibre of our own country, if we are to make this country a better place in which to live, then it is desirable that we should provide our students with adequate and sufficient scholarships and bursaries in order that they might assist themselves to make better citizens of themselves.

Mr. A. M. Nicholson (Mackenzie): I should like to join hon. members in all parties, Mr. Speaker, in paying tribute to my colleague, the hon. member for Saskatoon (Mr. Knight) who I feel is rightly regarded as the dean of education in this chamber. Being generous he welcomes this resolution being introduced again this year by the youthful member for York Centre (Mr. Hollingworth). While there are not any members in the house apparently who are speaking against this resolution, it does give individual members an opportunity to speak about this very important question. I must say I cannot generate very much enthusiasm for it myself. I think it is unfortunate that the means test is suggested now in Canada for assistance on the university level. A long time ago I thought we had accepted the principle that education should be provided free to all who were capable of acquiring an education.

I think that, just as elementary education was necessary at the time of confederation, so university education is necessary now. It should be provided for those who are competent to take it. There is another weakness that is rather important. I think the suggestion that we crowd a great many more students into our universities, without first making some adequate provision for university facilities and adequate compensation for those who are teaching, is putting the cart before the horse. Nevertheless, I do want to thank the hon. member for giving us an additional opportunity to discuss this important question.

The policies of the government nowadays point up the need for education. The Minister of National Defence (Mr. Campney) recruits high school graduates for air force personnel. He is quite prepared to spend $60,000 on training a young chap who has finished high school to fly a jet plane. I am not complaining about the expenditure of $60,000. But I think it is unfair to ask my friends down in Newfoundland to stand the cost of elementary and high school training up to the point where the youth leaves high school, and then for the federal government to come along and spend $60,000 so quickly.

The Minister of National Defence told us last June that he had spent $24 million on the "velvet glove". He pointed out there had been 400 scientists and specialists from industry and the forces who had acquired a good deal of practical experience in the field of air to air guided missiles. Since that time I have read that we have written off our investment in this particular field. Apparently there is no one who becomes excited about the expenditure of $24 million on a project of this sort which is then designated as an unpractical project.

Some time ago the Minister of Defence Production (Mr. Howe) told us we will have spent $120 million on the CF-105 before it is off the assembly line. But if these machines are to be used we have to have young Canadians who have been able to go to public school and high school as well as university. Last year my colleague the hon. member for Kootenay West (Mr. Herridge) asked the Minister of National Defence how much we were spending on the training of cadets to qualify for officers in the army, air force and navy. The reply was $3 million to $4 million for 1954; over $4 million in 1955; and $4.5 million in 1956. My colleague said that appeared to be about $30,000 per cadet. The minister replied, "Yes, that is about correct". He explained that costs have gone up. I submit that if the taxpayers of Canada are able to spend $30,000 to train cadets, somehow or other we have to share with the provinces and the municipalities the essential expenditures which have to be incurred before we are able to make use of our personnel in this sort of category.

Apparently, we are not short of funds in Canada, judging by some of the figures I have mentioned. Last year I received an answer to a question regarding our expenditures in Canada for tobacco, liquor and education. In 1954 we spent $475 million

on tobacco, $865 million on liquor, but only $581 million on education. It is a matter for pretty serious reflection when our per capita expenditures are $31.26 on tobacco, $56.92 on liquor and $40.26 on education.

The other day when discussing the Canada Council resolution I mentioned the percentage of the tax dollar which the federal government, the provincial governments and the municipalities spent. Members are always flattered when colleagues, particularly colleagues of other parties, ask them a few days later about their material and their sources, and I must thank the hon. member for Edmonton East (Mr. Holowach) for paying close enough attention to my remarks to ask the question. I now wish to inform him that the Bank of Commerce commercial letter of March 1953 is my source. It gives a table showing the total Canadian tax revenue of the federal, provincial and municipal authorities. I have added these up and I find that the federal government gets 74 cents out of the dollar, the provincial governments get 15 cents and the municipal authorities, 11 cents. I was quoting from memory the other day. There has been a slight variation from year to year. I have not given the exact fractions. These are for the year 1951. I might mention that if you go back to 1939 you will find a fifty-fifty split. At that time we just gave the federal government about 50 cents out of every dollar. The municipalities fared a little better then. They had about 30 cents and the provinces about 20 cents of each tax dollar.

I have confirmed these figures by reference to the Bank of Canada statistical summary financial supplement for 1955. The 1954 figures naturally show much larger amounts collected by the federal government, the provincial governments and the municipalites. They also show a distribution that makes it very difficult for the municipalities and the provinces. On the 1954 figures the federal government—I am making my calculations from the Bank of Canada figures—received about 70 cents out of each tax dollar, the provinces 16 cents and the municipalities 14 cents. You still have only 30 cents to be divided between the municipalities and the provinces. The government at Ottawa gets 70 cents. I submit that it is physically impossible for our municipal and provincial authorities to get the wherewithal to meet the crisis in the field of education.

I am indebted to a number of sources for a good deal of help. Like other hon. members, I want to refer to the very interesting conference which was held in Ottawa in November when the Canadian universities met to discuss Canada's crisis in higher education. It is significant that the Prime Minister rated this meeting high enough to take time off to speak and to intimate that his government was prepared to take action. While action has been taken, it is much too little and, of course, it is much too late but it is better than nothing at all. It does recognize that there is a problem. I was particularly interested in some of the papers. I hold in my hand one from the director of extension of the Unversity of Montreal, one by the president of St. Francis Xavier and another one by Dr. Burchard of the Massachusetts Institute of Technology, the alma mater of the Minister of Trade and Commerce, and one on the problems of securing staff. All these papers deserve the most careful consideration by hon. members and by all who are interested in the question of education.

I would like to make a few references to the paper by President Norman MacKenzie of the University of British Columbia. Dr. MacKenzie is a product of Dalhousie. He was President of the University of New Brunswick before the Minister of Labour, and now is president of the University of British Columbia. He presented some figures in connection with the percentage of the Canadian students who go on to take higher university work. He mentions that it would appear that between 25 per cent and 33 per cent of the population have the capacity for higher education, and goes on to say:

> At the present time 7.2 per cent of the appropriate age group, 18 to 21 inclusive, are in our Canadian universities.

Is that not something to think about? Although between 25 and 33 per cent of the population have the capacity, we permit only 7.2 to proceed to university. I think I should say that although I have been to university myself, all who have been there readily recognize that you can get a university degree and still be very ignorant about a great many things. A great many who never get to university make an outstanding contribution to society also, but anyone who has been to university would consider that he had missed something if that right had been denied him. When only 7.2 of the appropriate age group in Canada are permitted to go to university it is a pretty serious situation. According to Dr. MacKenzie the figures for Russia are 19.6 per thousand of the population. For the United States the figure is 15 per thousand and for Canada it is 4.9 per thousand. The 7.2 figure would be of the appropriate age group. Dr. MacKenzie points out that if we are really to face this problem, instead of having 80,000 enrolled in universities, as we have today,

we should have between 240,000 and 315,000. By 1980, if our population goes up we should have between 375,000 and 490,000. If the provinces and the municipalities are not able to find the wherewithal now to maintain adequately the establishments that are supposed to house 80,000 and pay the salaries, how are we going to find facilities and personnel to teach 240,000? Dr. MacKenzie points out:

> I realize that statistics are among the most misleading materials with which human beings can work but while I do not propose to comment upon these figures, I suggest that there is plenty of food for thought in them.

The other day I had the *Financial Post* for November 17, 1956, and I made reference to an article on Russia by Ronald McEachern, the editor of the paper. Dr. McEachern mentioned that:

> Soviet universities are hard to get into. A few prize-winners in the secondary schools go direct into university without examination. Of the remainder, around 60 per cent are flunked in their university entrance exams.
>
> The graduate of a soviet university has about 50 per cent more formal hours of instruction behind him than the Canadian graduate.

He mentions that of all the Canadians who enter university here a little over 20 per cent survive through graduation. In Russia about 14 per cent survive and in the United States about 13 per cent. He mentions that in 1955 the Russian universities graduated about 120,000 scientists and engineers compared to about 70,000 in the United States universities. Mr. McEachern points out that there are two angles which must be associated with this fact. First, the magnitude of the Soviet economy is about one-third that of the United States so relatively the Soviet production of scientists and engineers is about five times that of the United States.

Mr. McEachern includes an interesting paragraph about a young chap who was studying at the University of Leningrad. This young man was 27 years of age and not only did he speak English very well but when he was speaking to someone from the United States he spoke as an American would and when he spoke to someone from Great Britain he spoke as people in that country do. Apparently he was somewhat puzzled by the Canadian accent. He said, "You speak just like the Americans but you are all Canadians." All the subjects of Her Majesty whom he had met previously used the Oxford expression of the English language. Here is a chap who not only spoke his own language but had been encouraged to speak English as it is used in both Great Britain and the United States, and in addition he had been trained to speak Italian, Spanish, French, German and some other languages. I submit, Mr. Speaker, that if it is possible in a country like the Soviet union to recruit such a large percentage of young people and send them to university and train them in various fields there is no good reason for a rich country like Canada failing to grapple with the problem and leaving it to be dealt with by the municipalities and the provinces.

I am also indebted to the Canadian school trustees' association for the research work they have done under the direction of Dr. M. E. LaZerte. In the study entitled "School Finance in Canada—1955" Dr. LaZerte points out that education is a very different matter from what it was not so long ago when log schools were erected at a very low cost. Even in the last 25 years in the province of Saskatchewan log school houses were built with grants of $100 or $200 from the provincial government. The settlers cut their lumber out of the logs with whip saws and made desks. That sort of school accommodation is not good enough in this day and age. Dr. LaZerte also points out that school children are no longer being educated to live for the rest of their lives in one small community. They are being educated as citizens not only of their own province but of the country and the world.

I heard the speech made by the Minister of National Health and Welfare (Mr. Martin) at the Canadian Club luncheon today and I was greatly interested in the fact that the minister has been able to travel over 40,000 miles since we saw him here last year. The fact that he has been able to travel to so many countries makes it important that people such as those who provided his education should not be handicapped in educating children who live in the depressed areas of Canada and are not able to attend university if the price received for the produce of the farm is not adequate. I think we have to recognize the fact that the citizen of today is a citizen of the world and he must not be handicapped because he lives in a depressed area.

In this study there is a table that gives information regarding the cost per pupil of education in the various provinces of Canada. It is surprising to find a variation from a low of $86.11 in Newfoundland to a high of $292.58 in British Columbia. The per capita cost again shows a wide variation. The high is British Columbia, Saskatchewan is second, Alberta is third, Ontario is fourth, New Brunswick is fifth, Manitoba is sixth, Nova Scotia is seventh, Quebec is eighth, Newfoundland is ninth and Prince Edward Island is tenth. Again we have a variation from

$45.34 per person in British Columbia to a low of $16.84 in Prince Edward Island. There is also a table giving some information regarding the relative prosperity in different parts of Canada. Questions such as the following ones were asked: Do you have a telephone? Have you an automobile? Did you have a radio in 1952 when you had to buy a radio licence? Questions such as these indicated whether or not people were too poor to afford a radio.

Another table shows the personal income by provinces, indicating the ratio. In Ontario we have a rather high average. Ontario had an average of 123 per cent. British Columbia had 120 per cent, Alberta 93 per cent, Saskatchewan 78 per cent and we come down to 53 per cent in Newfoundland and 54 per cent in Prince Edward Island.

There is also some information concerning the salaries paid to teachers which points up an impossible situation confronting the authorities in many of the provinces. For example, in Newfoundland the average teacher's salary was $1,065. The average salary is given for some of the states immediately south. The average salary for teachers in Maine was $2,115; Prince Edward Island, $1,152; New Hampshire, $2,712; Nova Scotia, $1,587; Vermont, $2,348. Going down the list we find a high average in British Columbia of $2,590 but in the state of Illinois to the south the average salary was $3,458. Again there is a wide spread between salaries paid to teachers in Canada and the United States.

My colleague the hon. member for Saskatoon (Mr. Knight) had a sessional paper back in 1952 listing the present federal expenditures on education. You find an approximate total for the year of about $20 million including the amount for the Department of Labour for apprentice training, youth training and vocational grants, the Department of Citizenship and Immigration, the national research council, the Department of National Health and Welfare for professional education and post graduate training, the Department of Veterans Affairs for grants to universities and the Department of Finance for grants to universities. The total was $20,936,000. The small sum of just over $20 million was spent for the educational facilities I have mentioned, and last year $24 million was spent for the Velvet Glove, which was later discarded as useless.

I am also indebted to the Canadian teachers federation for their excellent research. They have made a study concerning the position of civil servants to point up the problem confronting those who are in the teaching profession. I have never been guilty of complaining about the salaries being paid to civil servants. As a matter of fact, I know a great many who are staying with the public service at salaries which are a great deal less than they would command in the commercial field. But we are robbing our schools of a great many teachers and I think that this report made by the federation deserves some consideration. They say:

> Of six arts graduates hired as junior administrative officers in 1946 at approximately $2,000, three of the six are now earning between $7,000 and $9,000. Of eighteen hired in 1950 at approximately $2,400, most are earning between $5,000 and $6,000; five of the eighteen are earning $6,000 to $7,000 and one is earning between $7,000 and $8,000.

They mention that those who joined external affairs and trade and commerce as foreign service officers started at $3,900 and after seven years would be receiving between $5,500 and $6,000. If those same people had gone into the teaching profession there would have been very few positions anywhere in Canada available to them at salaries at all comparable. I have here a comparison of the teacher salary schedules of some of the larger centres in Canada, and I will give the low and the high figure:

	Low	High
Vancouver	$2,300	$6,200
Calgary	2,370	6,390
Winnipeg	2,450	5,750
Windsor, Public	2,700	6,800
Toronto	2,800	6,800
Ottawa	2,800	7,000
Montreal, Protestant	2,150	6,550
Montreal, Catholic	2,150	5,300
Halifax	1,900	5,650
Saint John, N.B.	2,250	4,895
Charlottetown	1,525	3,575
St. John's, Newfld.	2,004	4,200

It is hard to expect teachers to stay in areas in Canada where these low salaries are being paid when the public service in Ottawa offers salaries such as those I have mentioned, and when industry is offering salaries that are away out of line with those teachers are receiving.

It is particularly difficult to hold teachers in the smaller communities. A very competent science teacher up in northern Saskatchewan who had been there for seven years left last term to accept a position in Regina at a salary increase of $800 over what he had received in the small town. He was replacing a science teacher in Regina who had gone to Timmins at a salary $800 more than Regina was paying. That man in turn was replacing a teacher who had left Timmins to go to Toronto at a salary $1,000 more than was being paid in Timmins. There was a difference of $2,600 in the salary paid in a small community in northern Saskatchewan from that paid in Toronto with similar qualifications being necessary.

Mr. James Muir, president of the Royal Bank of Canada, took time in giving his

annual report to his shareholders to discuss this important question. He said:

> The economic positions of all teachers has deteriorated relative to other professions of comparable training and responsibility, and relative to the working force as a whole. Thus the teacher today finds himself in the same occupational "depressed area" which he occupied as long ago as 1776: a member then as now of what Adam Smith called "that unprosperous race of men commonly called men of letters".

And again:

> With the present disparity between the salaries we pay our teachers, and the salaries we pay for comparable talent elsewhere, we cannot expect to recruit or to retain enough qualified men and women to maintain our present teaching standards in our high schools and universities.

While it is all right to have a pious resolution of this sort being presented every year, a resolution which is not opposed by anyone on the government side, I submit that it is imperative that the government of Canada face up to the fact that as a result of our changing economy our municipalities and provinces have not the wherewithal to provide the facilities which will supply Canada with the educated people we must have to face the future. There is no reason why this country of 16 million people with our great natural resources, with our record of achievement in war time could not face up to the fact whatever is physically possible must be made financially possible. Something better than the plan proposed from the government side must be forthcoming if we are to meet successfully this crisis in the field of education.

Mr. Guy Rouleau (Dollard): Mr. Speaker, at the outset of my remarks in support of the resolution put forth by the hon. member for York Centre (Mr. Hollingworth) I should like to congratulate him heartily for having put it before the house and for having proposed it with sound argument. He has done it as a good Canadian and has dealt with the matter in a manner above party consideration and for the sole welfare of our fellow young Canadians and of Canada as a whole.

When he introduced his resolution last year the hon. member for York Centre said he was hoping for the support of all sections of the house. He got support from members of every political affiliation. I was glad, and I was also impressed at the same time by the way in which his resolution was received by the hon. members. It showed that if hon. members do not agree all the time on certain matters dealt with in the house they are all eager to promote better education and greater knowledge for the younger generation. In concluding his speech last year the hon. member for York Centre, who is known as a promoter of better understanding among the different racial groups in Canada, made a special appeal to his colleagues of French origin, when he said, and I quote from page 571 of *Hansard* of January 26, 1956:

> I should like to conclude my remarks in French as I am most anxious to have the support of my French-Canadian colleagues on both sides of the house.

None of the members of French origin to my left saw fit at the time to express openly in the chamber his opinion on the matter and we do not know as yet the stand of those hon. members on the matter. But on the government side of the house the hon. member for Compton-Frontenac (Mr. Blanchette) expressed very well I think the opinion of our French colleagues when he said in concluding his remarks on that occasion as reported on page 594 of *Hansard* of January 26, 1956:

> The great need is for first class men to give leadership and inspiration through their own brilliant, original discoveries. The future depends not only on the continued liberality of government agencies but on the number and quality of the men induced to do research work. The greatest need is to discover and train these men, and surely the resolution of the mon. member for York Centre (Mr. Hollingworth) will, if implemented, assist us to attain the aim envisaged.

Since our colleague the hon. member for York Centre, asked his French-Canadian colleagues to support him on his resolution, and since I graduated from one of our great universities not so long ago, I feel it my duty to add my voice to those who have spoken already on the matter. In doing so I feel I am doing my duty and also doing my share of what is good for my fellow citizens, my country, my province and the people I represent because they would all benefit from the implementation of such a resolution.

(*Translation*):

Mr. Speaker, the proposed resolution introduced by the hon. member for York Centre reads as follows:

> That, in the opinion of this house, the government should consider the advisability of introducing legislation to provide national scholarships and bursaries for students at the university level who are in financial need in so far as the subject matter of this resolution is within the competence of parliament.

This proposed resolution is in complete agreement with the report of the royal commission on national development in the arts, letters and sciences, as submitted to parliament in May, 1951. In this report the commissioners recommended, on page 419:

> That the federal government maintain and enlarge the system of scholarships, of bursaries and of loans to undergraduates now in operation and known as the Federal-provincial Vocational Training Plan.

However, before going further into the matter and because we are dealing with

something which relates to education, may I be allowed, as a representative of a Quebec constituency, to wonder if the implementation of such legislation would interfere with provincial autonomy. In the first place, it is important to determine if this legislation is contrary to our constitution as enacted in 1867. Since we are dealing with educational matters, it is important, I think, to know if we have any right at all to discuss it and, even more to know if we may adopt legislation in aid of education.

I remember that last year, when we took up the same resolution, the Hon. George Drew, a former premier of Ontario and then leader of the federal Conservative party and of the opposition, a man who when he was a provincial premier had proclaimed himself a champion of autonomy, just like the premier of my own province, stated, as is reported on page 572 of *Hansard* for 1956:

> The purpose of this motion, undoubtedly, is to emphasize the need for an extension, a very substantial extension, of the award of scholarships to those who seek the opportunity to take advantage of the educational facilities that our universities afford. This can be done without in any way interfering with the exclusive jurisdiction over education which rests with the provincial governments under our constitution. This can undoubtedly be worked out on a satisfactory basis of effective co-operation between the federal and provincial governments.

Now what do we find in section 93 of the British North America Act, that section which defines the powers of the provinces and confers exclusive rights in different matters? Here is what we find:

> In and for each province, the legislature may exclusively make laws in relation to education, . . .

Well, Mr. Speaker, that section is clear, plain and definite about the organization of education and about the organization of our teaching institutions in the different provinces of the country, at all levels, either primary, secondary or university education. Provinces alone may enact legislation in the field of education. This was a guarantee given to them when our constitution was enacted in 1867. More particularly for the province of Quebec, it is a guarantee which was given to her perhaps primarily on account of the fact mentioned last year by the hon. member for York Centre when he said—and I quote page 598 of last year's *Hansard*:

> I know that French Canadians are proud of their language, their customs and their traditions. They are right in feeling as they do, and I congratulate them on that score. In order to maintain this character, French Canadians mean to keep control of education in so far as it concerns them.

That is, Mr. Speaker, the main reason why French Canadians are jealous of their exclusive rights in the matter of education. They want to keep their language as well as the traditions bequeathed to them by their ancestors, and I am convinced that the whole Canadian culture is enriched by this fact.

As I said a moment ago, Mr. Speaker, it is always a delicate matter for a federal member from the province of Quebec to deal with education. If the other provinces of confederation jealously cling to their rights in the field of education, my province, for her part, and for the reasons just mentioned, will never tolerate any encroachment on section 93 of the British North America Act which grants her exclusive rights in matters of education.

And now, Mr. Speaker, I wonder if the fact that the federal government grants scholarships to our Canadian students, scholarships which are accepted by them, is an interference with the autonomy of the provinces in the field of education.

This afternoon I heard the hon. member for Lapointe (Mr. Girard) state that he felt the need for the establishment of this system of scholarships not only in the province of Quebec, but in the whole country. In his speech, if I am not mistaken, he said that he could not see how those scholarships could be distributed in various provinces without violating section 93 of the constitution. I respect his opinion, but I do not agree with him. As far as I am concerned, I feel that the federal government has the responsibility of helping Canadian students to pursue their courses, no matter in what province they live. We must help those students. When I was at university myself, I noticed that most of our students were from middle-class families. Many of the students of my acquaintance had to work during the summer in order to be able to pursue their studies, and several of them even had to work during hours of study. But, what about that large number of intelligent, diligent, studious, and ambitious young Canadians who cannot get higher education and who cannot go beyond college, for lack of funds. I suggest that the whole country is thus deprived of the valuable services which could be rendered by those young Canadians if they had enough funds to complete their courses.

In each of the provinces, tremendous amounts of money are spent, with reason I think, for national defence, health, research, social security and the development of our natural resources. However, Mr. Speaker, is there a greater natural resource than the intellectual potential at our disposal for making our country richer and more prosperous? We need more technicians, scientists, doctors, engineers, etc.

Mr. Speaker, we are doing a grave injustice to the nation, the Canadian family

and more particularly those born in low-income families, if we refuse to help talented students to complete their studies. I admit that the state must not substitute itself to parents, nor to the family, but it has an inescapable duty to help the family, and young Canadians. The assistance I just mentioned, which concerns us more particularly in this case, is the help to universities. That assistance could be given by various provincial governments which, on the other hand, are fairly generous in the granting of scholarships.

Moreover, in my own province, scholarships are granted annually to some students. Some foreign governments also grant university scholarships to our young men and women. There are also private concerns sufficiently conscious of their social responsibility to provide valuable scholarships annually to students from the province of Quebec or from the country as a whole. Moreover, in my own province, the St. Jean Baptiste Society, by providing honour loans renders invaluable services to young students of that province. And there are similar scholarships provided by the government of this country.

May I digress for a moment to answer the argument advanced by the hon. member for Lapointe. According to him the proposed scholarships are a threat to provincial autonomy. By the same token then we should refuse to accept scholarships provided by private enterprise, or by foreign governments. But there is no interference with provincial autonomy. These young men who receive scholarships from private enterprise or from provincial governments or from nameless associations are perfectly free to act as they wish and to benefit from the advantages provided by the scholarships in question.

Nevertheless all those scholarships which I have just mentioned are not sufficient to render justice to all our fellow citizens in every part of this country. Personally, Mr. Speaker, I would like to see every talented, responsible, competent, studious and ambitious young Canadian provided with a higher education.

The proposed resolution introduced by the hon. member for York Centre is a long step in the right direction. That is why I am happy to support it. It does not interfere with provincial autonomy. If I were in any doubt about that, I would not support it. I am of the opinion that in certain cases the federal government may provide assistance in this field without imposing any conditions and without interfering with the rights of the provinces in the field of education. This case which we are discussing today is such a case.

I want every young Canadian, whatever his province and racial origin, and whatever his background, to benefit equally in the field of education and every other field. This is the aim of the government in granting aid to education. It is not only in dictatorships like Russia, that certain methods are applied, not so much to help the students, but to make them the slaves of the state machine. Here, in Canada, in our democratic country, where the living is good, the sole aim of our various governments is to raise the intellectual standards of our young Canadians. As a matter of fact, their only aim is to help the nation to develop and prosper in order to exert an ever-increasing influence in the world. We want to help the less fortunate.

Some may wonder, Mr. Speaker, by what means we may determine the eligibility of students whose parents are of modest means. Well, Mr. Speaker, did we not find an adequate way of choosing those who would be eligible for the old age pension. In a field such as the one we are now considering, the government could easily find means to choose those who would be eligible for such scholarships.

At page 361 of the report which I mentioned a moment ago, one of the suggestions made by the commissioners reads as follows:

> We therefore recommend:
>
> (f) That since the amendments which we are proposing in this legislation will, if they are adopted, extend the present system of scholarships to a greater number of universities and colleges, there be established an advisory council to be known as "The University Training Advisory Council" which will include representatives of the provincial and federal governments and of the universities.

I believe, Mr. Speaker, that such a recommendation is practical and takes into account the rights of each and everyone. What we want here in Canada is to give to the greatest possible number of young Canadians an opportunity to avail themselves of our facilities for higher education so that, in the end, our whole nation may benefit by it. What we want is to give assistance to parents with large families who do not get a sufficient income but whose children have talent and wish to be educated so that they may serve the Canadian nation.

It is in that sense that I approve the resolution of the hon. member for York Centre as I am firmly convinced that the Prime Minister of Canada, who always has young Canadians in mind, will welcome this resolution. The sooner we put our education facilities within reach of a greater number of young Canadians, the better it will be for the whole country.

(*Text*):

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, as I have agreed with so much that has been said in the course of this debate and have disagreed with practically nothing, perhaps I might be well advised to content myself by saying nothing at all. But there are one or two points that I should like to make very briefly.

I think it is quite clear that public interest in education has been aroused in a way in which it has not been aroused for many years. The reason for it, of course, is perfectly obvious. The reason is fear. The reason is that we watch what is going on in Russia and we are afraid that we are being left behind in the kind of competition that the Russians are putting on. What is that competition? It is a competition in the production of all the material apparatus of life, including military engines of all kinds. We are troubled that we may be left behind in this competition. I regret to say that I believe that is the main reason why we find education being talked about so much. Therein I think lies a great danger. Therein lies the danger that we may concentrate on technical things or mainly on technical things. We may concentrate on the production of more and more technical people. On that matter I want to say two things.

First of all, I want to point out that what we need most of all in this world at the present time is not more technical things but more wisdom, more knowledge of how to live together. That is what we need most of all. That leads me to say that when we are thinking about assistance to education I hope we shall not allow ourselves to concentrate wholly on technical things but will remember that while wisdom cannot be taught in the same way that technical things are taught, nevertheless there is more chance that those who educate themselves broadly—who read history and literature, who know how men have lived, what the difficulties of the past have been and how they have been overcome—will become wiser than if they lack that knowledge.

In the second place, in speaking about technical education I wish to point out what has been pointed out to me by men who are in the industrial world, namely that we are in danger of not using our resources in quite the right way. It has been pointed out to me more than once that in the industrial world there are a large number of people with full engineering training and the highest of technical skills doing work which does not demand such full technical training at all, and that the work in many cases could be done by those with much less technical training. I am glad to say that in the province of Ontario regard is being had for that situation and that technical schools are being set up which may do a great deal to overcome that difficulty.

The second thing I want to do is to say something about those who are in the universities and to whom I hope the aid will be directed. I notice, for example, that this resolution, for which I shall vote, speaks about providing national scholarships and bursaries for students at the university level. If that means for undergraduates only, I want to say a word about it. In thinking of those who are at the university I have, for my own convenience and in a rough and ready way, divided them into three classes. First of all, there are those who fail, and we ought to get rid of them from universities.

I do know that at the present time university heads are troubled over the number of failures that they find in the early years. While I am not an educational expert I cannot help wondering whether or not some explanation for these failures may be contained in a letter I had some years ago from a man who was teaching one of the very elementary classes in a university. He told me he discovered to his surprise on taking a poll that 16 out of 40 in that class had never read a book of any kind during their years at school except their technical textbooks. I could hardly believe that, but he assured me it was so. He went on to argue, and this interested me, that the curriculum in the English course should be relieved of the English classics and should be replaced by modern works.

He said that the pupils of whom he was speaking—and they may not have been the best, they may not have been a fair test—would not have been able to read Shakespeare, Milton, Browning or Wordsworth without a dictionary because they would not have known the words. Then he added this, and it interested me very much. "You and I have to remember that when we were at school, even though we did not get any training in the ancient classics, we had the Bible read in our homes and thus we had the vocabulary that would enable us to read any good English literature." I am not going to offer any further opinion as to the number of failures but it is such to concern university authorities.

There was one thing more my friend said which interested me greatly—I had not thought of it before. He said that you have to remember that radio and movies—we had no television in those days—which take

so much of the attention of the children now demand no effort, while the reading of even a novel does demand effort. Of course, in what some of us like to regard as the good old days it was quite a common thing for children actually to be kept at home during the evenings and to sit down with their lesson books in front of them and spend a considerable amount of time working at them. Whether or not the change in that has anything to do with the incidence of failures at the present time, I do not pretend to say.

I come now to the second class at the universities which I like to think comprises the great majority of university students. I refer to the competent, reliable, industrious people who do their work and who afterwards do the world's work too. They are perfectly competent but they do not have anything in them resembling genius.

I come then to the third class of people who have genius or something like it; people who have an extra spark; people who are going to provide the great teachers, scientists, theologians, philosophers, poets, the artists and so on. They are of a special class but they are in great danger, as I understand it when I read this resolution, of not being considered as proper subjects for these scholarships. I should like to put in a plea that the requirements and needs of these people should be carefully considered, because after all it is upon them we have to rely to make our way of life a better way of life. It is these people to whom we are going to owe so much if they can be given an opportunity to fully develop themselves. I venture these comments because when we speak about scholarships I think that we should not confine them wholly to those who, as I say, are going to do the world's work; who are competent and industrious and have all the good pedestrian qualities raised to their highest level but who lack these special high qualities which go to those who have what I call genius or near genius; those people on whom we have to rely for making our life something more than a dull pedestrian affair.

Mr. A. R. Lusby (Cumberland): I am very glad indeed, Mr. Speaker, to take part in this debate. In view of the lateness of the hour and the fact that there are possibly a number of other speakers who would like to take part, I am going to compress my remarks into a somewhat briefer compass than I had originally intended. However, I am very glad to have the opportunity to say something. As a Nova Scotian I might say I am particularly interested in a resolution of this kind for at least two reasons. One reason is the fact, as was so graciously indicated by a couple of western members who spoke in the debate this afternoon, that Nova Scotia has made such a signal contribution to the cause of education in this country.

The second reason is that in Nova Scotia, as in the Atlantic region generally, I think it is perhaps fair to say that for the student who is working his way through college, either partially or wholly, the task is somewhat more difficult than it is in the more prosperous provinces of Canada. It is true, of course, that a large percentage of our university students do work their way through college, either partially or wholly. This afternoon the hon. member for St. Paul's (Mr. Michener) spoke with some pride about a classmate of his who had succeeded in paying his way through college by selling aluminium. Almost anyone can sell aluminium. I recall that when I was at college a student who was there at the same time financed his way through college by selling Bibles. I think that requires salesmanship. I was never quite sure at the time whether it was his superb salesmanship and business acumen or the piety of his Nova Scotia clientele to which he owed his success. But in view of the fact that he has since risen high in the business world I am inclined to the view that he had the former qualities.

I should like to add my congratulations to those which have been tendered the hon. member for York Centre (Mr. Hollingworth) on his part in formulating and presenting this resolution. Of course, he cannot, I suppose, claim credit for originating the idea any more than the Wright brothers can claim credit for originating the idea of human flight. But in the resolution he presented this year and in the resolution he presented last year, which was practically identical, he has put the central idea in concise and concrete form. He has brought it forward for the close scrutiny of this house, and for this reason I should like to congratulate him. I should like to congratulate him also upon the fact that he marshalled the arguments in favour of the resolution very ably and presented them logically, forcibly and lucidly.

It is easy to deduce from what he has said and his manner of saying it that the subject

is dear to his heart and is one which he has entertained with sincerity and enthusiasm. I think the house is greatly indebted to him in this regard. It is true that this year the discussion on the resolution is going to constitute a double covering of certain ground which is being covered in the debate with regard to the establishment of the Canada Council. However, I might point out that in so far as scholarships are concerned they are, it seems to me, a corollary to the aid which is being extended to the universities themselves. On the one hand we have aid being given to the universities so that they may provide better facilities for scholars and this resolution, of course, has in mind aid to deserving and needy scholars themselves who would take advantage of the facilities which the universities afford.

I was particularly glad this year to hear that the Canadian universities were to receive aid, and that the university grants were to be doubled. I might reiterate what I said before, that I think it regrettable that these grants are still being distributed on the basis of provincial population.

I think it is clear that this resolution has enlisted very good support from members on all sides of the house. This shows, I think, that we, not only we, but the people of Canada whom we represent here, are increasingly aware of the value of higher education as a significant factor in our national development. In this regard we must consider higher education from two distinct and yet very closely related points of view. First, there is that of fostering the arts and humanities; and second, there is that of promoting scientific and technological advancement. Unless we keep these in proper focus it seems to me we shall arrive at a distorted understanding of the whole subject.

In this age, with its increasing emphasis upon materialism, an unfortunate development, and yet one which I think we must assume is with us, it is in some quarters customary to belittle the value of the classical education. I certainly do not support the present resolution with any idea that it may encourage the production of withdrawn intellectuals moping in misty ivory towers; not at all. But is is my submission, Mr. Speaker, that if Canada is ever to attain the stature of a truly great nation, which we all ardently hope and expect for her, she must progress not merely along the paths of science and engineering, essential though such progress is; there must also be a flowering, or so it seems to me, of the things of the intellect and the spirit, of those lofty ideals and conceptions which are to be found only in the realms of art, literature, philosophy, religion and in all the allied manifestations of a truly noble culture. Here it is that human thought appears at its highest and purest and that, Mr. Speaker, is higher than any jet plane or any rocket can ever soar and certainly purer than the finest distillation of the laboratories. And from such sublime flights of the human mind come also those concepts of freedom, of democracy and of the worth of the individual without which all our material achievements count for little more, I should say, than those of so many ants or bees. Certainly, efficiency is a most desirable quality, but I sincerely hope that we shall never have for our national goal the soulless efficiency to which a communist state aspires, that and nothing more.

Surely, no one will dispute the outstanding and essential role of the university in encouraging and promoting those lofty flights of the human mind of which I have just been speaking. On the other hand, for all I have said, I do not wish it thought that I am decrying in any way the necessity of maintaining the highest possible standard of advancement in all scientific and technological fields. Indeed, history shows that the full development of the arts and humanities usually, though not always and not necessarily, comes with the attainment of a high level of material well-being, such as today only science and engineering can ensure to us. For example, I think it may well be that the modern world cares very little about what, let us say, the gross national product of ancient Athens may have been in any particular year or years, how many helmets or chariots or galleys were turned out; and yet, if Athens had not enjoyed worldly strength and prosperity, even based though it was on the evil foundation of slavery, I doubt very much whether she would have ever lighted those beacons of mental and spiritual progress that have made her name deathless. A similar lesson may be drawn, I think, from the beginning of the Renaissance in Italy and also from the Elizabethan age in England. Therefore, Mr. Speaker, while we must advance the cause of liberal education, we must not neglect that of science and engineering.

Today, indeed, as previous speakers have pointed out, the nation which falls behind in the latter fields faces the danger of extinction.

We note the alarm that has spread through the western world at the revelation that Russia shows signs of outstripping us in the training of scientists and engineers. We regard that as a potent threat to our security and freedom. And again, we see the teeming masses of workers in the countries of Asia, against whose wretchedly paid labour we cannot compete in the markets of the world except by maintaining our place in the vanguard of technological progress.

Therefore, Mr. Speaker, if Canada is to meet and realize her bright destiny as a truly great nation, it is essential that every fine, keen young mind which she produces shall have full opportunity, by access to higher education, to realize all its potentialities and make its greatest possible contribution to the national cause, whether that may be in the field of the humanities or in the more mundane fields of science and technology.

I am not proposing to quote any statistics, Mr. Speaker. I am not particularly noted as a dealer in statistics. In fact, I sometimes think that when they are used as lavishly as they quite frequently are in this house they form more or less so many hurdles which thought is bound to stumble over in its course. And yet, there has been a profusion of statistics given from time to time in this house—I think there have been some given in this debate—which show only too well that, compared with many other countries, Canada is allowing much of her best available talent to lie fallow for lack of opportunity for university training. How much, perhaps no statistics can accurately determine. But we need the utmost development of all that talent if we are to hold our place in the forefront of modern civilization. Certainly, Mr. Speaker, in the development of that talent no factor has more significance, I submit, than the university and the training which it can give. Therefore, Mr. Speaker, for the reasons I have mentioned I consider that the present resolution is a sound and worthy one, well calculated to advance our true national interests, and certainly no narrow constitutional arguments should be allowed to weigh against it.

I suppose there are possibly some strict constitutionalists who might say that this is an infringement upon the provincial realm, who might utter the old cry "federal hands off education"; but to me, Mr. Speaker, this does not constitute any infringement upon the provincial rights in the educational field.

I fully agree with previous speakers that under our constitution education is in the provincial realm, but it seems to me there is a vast difference between an attempt to interfere with or control a provincial system of education, or to exercise any authority over it, and what this resolution proposes, which, as I see it, is simply a matter of assisting brilliant and deserving students who are in need to take advantage of whatever educational facilities may be afforded in the realm of higher education in any particular province.

I submit, Mr. Speaker, that that does not constitute any constitutional infringement upon the rights of any province and therefore I think this resolution deserves the support of all of us here and I do not think there should be any serious objection to it from any quarter.

Mr. G. C. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, I do not propose tonight to cover the field of statistics, as the hon. member who has just taken his seat said he would not; nor do I propose to discuss education in any general way whatsoever. I rise to speak on this matter because I happen to have had a lifetime background of experience in a small university town where it has been my good fortune to know for more years, perhaps, than I like to recall, generations of students who have come into that university and gone out into the world.

This resolution, of course, was before us last year. I am not sure whether it is a matter of conceit, Mr. Speaker, or of complacency, but this afternoon I read over the speech I made last year and I felt I could not improve upon it, and therefore there was nothing new that I needed to say on this occasion. But at the time I did mention and did give an instance that happened a few days before this resolution was moved a year ago. We read in the press that a relatively large grant of money had been made by a former graduate to the university with which I have been associated. He was one who had worked his way through 20 years before because of the fact that he was fortunate enough to be appointed as a waiter in the dining hall and thereby got a scholarship which enabled him to graduate. That is typical of the matter which is envisaged in this resolution. The swift years of the past develop the human material and of course like stones that are thrown into a pool sometimes the ripples roll to the shore and sometimes they are dissipated before they reach there, but at the same time from those who have had assistance in the past much more assistance has come in later years.

Coming as I do from a town which contains a small university similar to the one mentioned by the hon. member for Brandon-Souris (Mr. Dinsdale), and similar to the small university with which has been associated the hon. member for Inverness-Richmond (Mr. MacEachen), I am able to say

that I personally feel that universities of this kind which have not attracted the support of the government and which have not the wealthy alumni societies which are associated with some of the larger universities can profit more by the subject matter of this resolution than can larger universities. Therefore there can be no doubt in the minds of hon. members of this house that this resolution is worthy of support. Today we are overlapping the field envisaged by the legislation which will be brought down concerning the Canada Council. The Canada Council legislation proposes that there will be fairly substantial grants made toward universities in the future. The main reason I rise to speak on this matter this evening is that I feel the subject of education which has been discussed so much in the last year or two is one of vast importance and this is simply the beginning of much more extensive discussions and more comprehensive legislation which will be enacted by this parliament in years yet to come. We are only at the threshold of this tremendous expansion particularly in the field of university education.

Early this evening I was reading *Hansard* of last year and I observed the contribution made by our friend who is no longer with us, the late Mr. Noseworthy. When speaking on this resolution a year ago he referred to the fact that when he first came into the house—I forget whether it was in 1940 or 1945—he moved resolutions in respect to education on three different occasions and each time they were ruled out of order because they transgressed provincial jurisdiction and therefore were not within the competence of this parliament. We have moved a long way in that relatively short period and I know we are going to move much further in the years to come because the problem concerning the future of university education in this country is one which is going to command more and more attention from this parliament as years go by. This problem can be solved only by parliament assisting universities through grants to the municipalities and provinces who will in turn look after the needs of the elementary and high schools.

For this reason as well as for many other reasons which I could suggest I rise to voice my support of this resolution. I know there are many others who desire to speak on this resolution and I do not wish to delay their contributions. I am sure that almost every hon. member of this house, if not all hon. members, will support this measure. Although it probably blends and merges into the legislation that will be brought down within the next few days with respect to the Canada Council, we are nevertheless blazing a trail here which those who will come after us will some day say marked the beginning of the recognition by the Canadian parliament of its responsibility for university education.

Mr. C. W. Carter (Burin-Burgeo): Mr. Speaker, so much has already been said on this resolution that it is very difficult at this stage to avoid repetition, but as one who has been connected with education for a great many years and also as a university graduate who knows from personal experience what it means to be a needy student, I feel that I have a special obligation to support this resolution which has been sponsored by my friend the hon. member for York Centre (Mr. Hollingworth). At this point I should like to tender to him my congratulations on bringing this resolution before the house at this time. The resolution under debate reads as follows:

> That, in the opinion of this house, the government should consider the advisability of introducing legislation to provide national scholarships and bursaries for students at the university level who are in financial need in so far as the subject matter of this resolution is within the competence of parliament.

This resolution might seem unnecessary in view of the fact that there is also before this house another measure dealing with the setting up of the Canada Council which appears to have similar objectives. Section (a) of the resolution dealing with the Canada Council reads as follows:

> The Minister of Finance may, out of the consolidated revenue fund, pay to the council the sum of $50 million to constitute an endowment fund for the purposes of the act.

When the right hon. the Prime Minister (Mr. St. Laurent) introduced this resolution last Friday he pointed out that the purposes of the proposed bill were in some respects different from the purposes of the resolution which is now under debate. I should like to quote what he said as reported at page 395 of *Hansard*.

Mr. Green: Mr. Speaker, is that in order?

The Acting Speaker (Mr. Applewhaite): Order. Is the hon. member for Burin-Burgeo intending to quote from a speech made by the Prime Minister in another debate of this session?

Mr. Carter: Yes, Mr. Speaker.

The Acting Speaker (Mr. Applewhaite): Well, I had expected that we would reach a point in this debate when this would come to a head because one could see it coming.

Mr. Knowles: All day long.

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The Acting Speaker (Mr. Applewhaite): I checked with Beauchesne and the appropriate words are:

> The member while speaking must not refer to any debate of the same session on any question not then under discussion.

I think the hon. members on all sides of the house have endeavoured to follow that rule and I think hon. members on all sides of the house have found that in several cases matters do come before this chamber which are so inter-related that at least part of the debate on one might be dealing with a subject which is then being debated under another heading. At the same time I think it is the intention of the rule that a quotation should not be made out of its context and have the result of quoting any hon. member of this house on a subject on which he has not spoken. I believe that is the intention of the rule.

If I may take just a moment I should like to comment that the point was raised by myself some years ago in connection with two very similar private bills when the remarks made on one would perhaps have been applicable to the subject matter of the other except that in this particular instance one sponsoring group was being commended and it was not intended by the speaker at the time that the commendation should extend to the other sponsoring group.

Therefore I feel that the hon. member for Burin-Burgeo (Mr. Carter) will agree that if we are going to carry out this rule with the intent that I think it has we should make our points during this debate without quoting—the citation says "referring to"—but I would say certainly without quoting the remarks of any hon. member made during another debate during this session. I feel sure the hon. member can make the point he wishes to make without infringing that rule.

Mr. Carter: Thank you, Mr. Speaker. There is no necessity to quote what the Prime Minister (Mr. St. Laurent) said. The only reason I was using his words was that they expressed what I wanted to say so much better than I could myself. The point I was trying to make was that there is considerable difference between the objectives of this resolution and those of the other measure to which I referred and which also envisages grants and scholarships to students. In introducing the resolution having to do with the Canada Council the Prime Minister pointed out that scholarships would be made available to people who perhaps could not properly be considered as university students. He went on to illustrate that by mentioning groups of people such as artists, musicians and actors.

[Mr. Knowles.]

The resolution which we are now considering is different in two very important respects. In the first place, it is different in that it is specifically designed to help needy students to get a university education. The factor of need does not enter into the awarding of scholarships under the Canada Council. It is also different in that it makes provision for bursaries as well as scholarships which the other measure does not. One might have hoped that this resolution would have also made provision for the granting of interest free loans to students.

It is fitting that education should occupy the attention of this house to such a great extent at this time. Canada is a very rich country with a tremendous future and education is essential to the development of our material resources and the steady expansion of our economy. Education can also play a very important part in the development of those areas of our country which may not be so richly blessed with natural wealth.

We all think of the United States, our neighbour to the south, as having the highest standard of living in the world. Mr. Thomas Bouchel, a member of the United States chamber of commerce, when addressing audiences in the United States following his return from Europe some time ago has been quoted as saying that in his opinion Switzerland has the highest standard of living in the world and Denmark had the highest standard of life.

In recent months we have become increasingly conscious of the fact that university education is also essential to our national defence.

Indeed it may even be our first line of defence. The emphasis which Russia is placing on education and the feverish haste of Russian universities to turn out engineers and scientists indicate that they have made the same appraisal. It becomes increasingly clear that our human resources, our brain power, are the most precious of all our resources. Any nation which neglects their development does so at its own peril.

On the political level education is essential also to the preservation of our democracy and our democratic institutions and to the solving of the complex problems which face us today. Democracy has been described as government of the people, by the people, for the people. Democracy cannot work unless the people are in position to play their part effectively, and they cannot play their part effectively without sufficient educational training to develop independent thought and judgment.

The people must be able to understand the present in the terms of the past and to

anticipate the future in terms of both. Abraham Lincoln said that "if we could just know where we are and whither we are tending, we could better know what to do and how to do it." Above all education is essential for living a life. The only forms of life that have survived on this planet are those which have been successful in adapting themselves to their environment. In this age of electronics, automation and the atom bomb the ability to adapt oneself to one's environment becomes more vital still. A knowledge and appreciation of those values which satisfy the soul, which go to make up a full life and which are of permanent lasting value are indispensable if people and nations are to reverse their present course toward chaos and destruction.

On motion of Mr. Carter the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, tomorrow we will take the further supplementary estimates which I tabled a few days ago; then the resolution on the Canada Council, and second reading of the bill to amend the Canadian Wheat Board Act.

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

Questions

ANSWERS TO QUESTIONS

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

MANUFACTURING ESTABLISHMENT STATISTICS

Question No. 1—**Mr. Boisvert:**

How many manufacturing establishments were in operation (a) in each province; (b) in each of the years 1950, 1951, 1952, 1953, 1954, 1955?

Answer by: **Mr. Dickey, Parliamentary Assistant, for the Minister of Trade and Commerce:**

1 (a) and (b):

MANUFACTURING ESTABLISHMENTS, BY PROVINCE, 1950-1955

—	1950	1951	1952	1953	1954	1955
Newfoundland	850	822	948	939	790	
Prince Edward Island	244	237	224	216	209	
Nova Scotia	1,482	1,474	1,533	1,591	1,526	
New Brunswick	1,107	1,084	1,077	1,094	1,057	not
Quebec	11,670	11,861	12,024	12,132	12,191	yet
Ontario	12,809	13,025	13,172	13,114	13,178	
Manitoba	1,507	1,512	1,531	1,540	1,522	available
Saskatchewan	887	973	1,022	1,062	1,010	
Alberta	1,671	2,118	2,150	2,072	2,052	
British Columbia	3,696	3,897	4,225	4,317	4,462	
Yukon and Northwest Territories	19	18	23	30	31	
Canada	35,942	37,021	37,929	38,107	38,028	

POLYMER CORPORATION LIMITED

Question No. 8—**Mr. Murphy (Lambton West):**

1. What is the book value of Polymer Corporation Limited, including both buildings and land?
2. What is the amount computed by Sarnia as to basis of payment in lieu of taxes?
3. What real estate was purchased by or for Polymer Corporation in the years 1954 to 1956 inclusive, and what was the amount paid for same?

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

1. As of December 31, 1955, the book value of Polymer Corporation Limited amounted to $48,409,311, as set forth in the company's published annual report. The figure for the year ending December 31, 1956 has not been finalized and will be disclosed in the company's annual report for the year.

2. It is the company's policy to pay to the city of Sarnia the same amount as would be payable if the company was a private concern. The plant is assessed each year by the city assessor in the same manner as other industrial property in the area and the company's grant to the city is determined by applying the current mill rate to the final business and property assessment. The grant to the city in lieu of taxes for 1956 amounted to $297,547.80 and the total business and property assessment made in 1956 which will serve as the basis for determining the grant for 1957 amounts to $5,168,515.

3. Disclosure of purchases of real estate and the amounts paid for same would not be in the public interest, since any land purchased in the Sarnia area has been acquired in competition with industry and others for current or future plant expansion.

T.C.A.—MARITIME FLIGHT CHANGES

Question No. 12—**Mr. Bell:**

1. Have any changes been made in T.C.A. flights in and out of the maritimes in the last two months?
2. If so, what were these changes and why were they made?

Answer by: **Mr. Dickey, Parliamentary Assistant, for the Minister of Trade and Commerce:**

1. Yes.

2. One North Star flight operating Montreal to Halifax and return replaced by a DC-3 aircraft.

One North Star flight operating Halifax to Boston and return replaced by a DC-3 flight.

These changes were necessitated by the loss of a North Star aircraft in British Columbia on December 9 and were made effective by a schedule change on December 15.

CAMP GAGETOWN COAL CONTRACTS

Question No. 20—**Mr. Brooks:**

1. How many tons of coal have been contracted for by the Department of National Defence or any other government department for use at Camp Gagetown, during the winter season 1956-57?
2. What quantity is being purchased from (a) Minto area, New Brunswick; (b) outside New Brunswick?

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

1. 20,039.5 tons.
2. (a) 20,000 tons.
   (b) 39.5 tons.

PARCEL POST, VANCOUVER, BURNABY, NEW WESTMINSTER

Question No. 28—**Mr. Goode:**

1. Were tenders called for the delivery of parcel post in the area covered by Vancouver, Burnaby, New Westminster, etc.?
2. If so, (a) when; (b) who were given the opportunity of tendering; (c) what prices were quoted; (d) who received the contract?

Answer by: **Hon. Hugues Lapointe (Postmaster General):**

1 and 2. Tenders were not called and no change is contemplated at the present time in the existing arrangements.

PARCEL POST DELIVERY, VANCOUVER DISTRICT

Question No. 29—**Mr. Hahn:**

1. Has consolidation of the parcel post delivery in the Vancouver metropolitan district been completed?
2. If so, who has the contract?
3. When was such contract let?
4. When were tenders called?
5. How many applications were there?
6. For what reasons was successful applicant chosen?
7. Are any parcel post carriers being let out as a result of the consolidation? If so, how many?
8. What are the names and addresses of each of those so affected?
9. How many years of service did each give to date?
10. On what day is the new service to go into effect?

Answer by: **Hon. Hugues Lapointe (Postmaster General):**

1. No.
2 to 10. See answer to No. 1.

INSTANT COFFEE INGREDIENTS

Question No. 30—**Mr. Hahn:**

1. Are there any ingredients other than coffee in the instant coffee sold in this country?
2. If so, (a) what are such ingredients; (b) are any of them considered detrimental to health?

Answer by: **Hon. Paul Martin (Minister of National Health and Welfare):**

1 and 2. All the instant coffee products on the market in Canada have been analysed in the laboratories of the food and drug directorate of the Department of National Health and Welfare and no ingredients other than those present in coffee were found in the products labelled 100 per cent pure coffee. One brand contained a small amount of added dextrose or sugar; this ingredient is not considered detrimental to health.

MAIL TRANSPORT COSTS AND REVENUES

Question No. 32—**Mr. Hahn:**

1. What was the amount paid to (a) Canadian Pacific Railway; (b) Canadian National Railways; (c) Trans-Canada Air Lines; (d) Canadian Pacific Airlines; (e) Great Northern Railway; (f) Pacific Great Eastern Railway; (g) other means of transportation, for transport of mail in each of the fiscal years ending in 1951, 1952, 1953, 1954, 1955?
2. In each of these years, what was (a) the total revenue received from second and third class mail; (b) the estimated cost of handling second and third class mail; (c) the total tonnage of mail carried; (d) the total tonnage of second and third class mail carried?

Answer by: **Hon. Hugues Lapointe (Postmaster General):**

1. (a) Canadian Pacific Railway

1950-51	$6,801,609.08
1951-52	5,707,611.94
1952-53	6,107,384.14
1953-54	7,244,330.76
1954-55	6,897,801.89
1955-56	6,768,935.05

(b) Canadian National Railways

1950-51	$6,627,935.77
1951-52	5,672,593.19
1952-53	6,372,134.43
1953-54	7,360,541.02
1954-55	7,113,228.81
1955-56	7,015,984.98

(c) Trans-Canada Air Lines

1950-51	$6,657,554.39
1951-52	7,389,013.15
1952-53	7,701,560.85
1953-54	7,817,996.49
1954-55	8,387,906.84
1955-56	8,430,766.76

(d) Canadian Pacific Air Lines

1950-51	$1,442,479.46
1951-52	1,506,671.21
1952-53	1,553,706.89
1953-54	1,678,249.18
1954-55	1,842,688.76
1955-56	1,851,676.68

Questions

(e) Great Northern Railway

1950-51	$ 11,049.15
1951-52	11,385.64
1952-53	14,456.30
1953-54	15,559.64
1954-55	14,010.28
1955-56	14,687.00

(f) Pacific Great Eastern Railways

1950-51	$ 20,513.83
1951-52	24,641.69
1952-53	26,937.57
1953-54	14,843.96
1954-55	2,626.76
1955-56	2,957.73

(g) Other means of transportation

	Domestic water services		International water services
1950-51	$927,867.22	—	$1,253,496.68
1951-52	821,332.37	—	1,555,267.39
1952-53	935,650.01	—	1,623,450.81
1953-54	985,376.93	—	1,420,277.87
1954-55	984,145.84	—	1,334,080.31
1955-56	964,782.83	—	1,241,899.90

Land mail services

1950-51	$13,672,978.83
1951-52	14,475,857.43
1952-53	15,588,817.24
1953-54	16,974,888.49
1954-55	17,782,870.28
1955-56	18,518,463.38

2. (a) Second and third class estimated revenue:

1951	$17,833,800
1952	25,529,100
1953	25,854,100
1954	26,218,500
1955	26,781,000

(b) Second and third class estimated cost:

1951	$33,093,000
1952	35,865,100
1953	37,487,700
1954	40,216,900
1955	43,237,100

(c) and (d) No record.

TRANS-CANADA HIGHWAY

Question No. 45—**Mr. Hodgson:**

1. How many miles of the trans-Canada highway were completed by December 31, 1956?
2. How many miles were built in 1956, by provinces?
3. How many miles are under construction, by provinces?
4. How many miles have been completed through the national parks?
5. How many miles are still to be constructed in each province?

Answer by: **Mr. Bourget, Parliamentary Assistant, for the Minister of Public Works:**

1. Approximately 2,800 miles of the trans-Canada highway are now completed of which the following mileages, exclusive of national parks, have been constructed since agreements were signed under the Trans-Canada Highway Act: Grading, 2,038; paving, 1,577.

2.	Grading	Paving
Newfoundland	28	—
Prince Edward Island	12	17
Nova Scotia	33	—
New Brunswick	18	7
Ontario	30	52
Manitoba	32	52
Saskatchewan	38	63
Alberta	43	66
British Columbia	107	66
Total	341	323

3.	Grading	Paving
Newfoundland	87	—
Prince Edward Island	1	1
Nova Scotia	11	2
New Brunswick	8	—
Ontario	112	28
Manitoba	10	6
Saskatchewan	—	33
Alberta	31	—
British Columbia	54	11
Total	314	81

4. No mileage within Banff and Yoho national parks has been paved. Eighty miles of the trans-Canada highway through Banff and Yoho are under contract for grading, with 51 miles completed. In addition 14 miles of bituminous stabilized base course have been completed.

5. Under the terms of the new trans-Canada highway agreement, pavements of good standard, but not necessarily to trans-Canada highway standards, constructed prior to December 1949, may be retained as part of the trans-Canada highway. Therefore, it is the provinces prerogative to reconstruct to trans-Canada highway standards such sections.

TRANS-CANADA PIPE LINE

Question No. 46—**Mr. Hodgson:**

1. How many miles of the trans-Canada pipe line is completed?
2. How many miles of the pipe line have yet to be built to reach Winnipeg?

Answer by: **Mr. Dickey, Parliamentary Assistant, for the Minister of Trade and Commerce:**

1. To date, 225 miles of pipe line have been laid, with clean-up operations complete.

2. Three hundred and fifty miles are yet to be completed. Of this portion of the line, 231 miles of right of way have been cleared; 226 miles have been graded, and 195 miles of pipe have been strung or stockpiled in

Canada. In addition, the following work has been done at river crossings, which come within the uncompleted portion of the line: The west Assiniboine crossing is 75 per cent complete, with both dual lines pulled across the river and the east Assiniboine crossing is 50 per cent complete with one line pulled across the river. Work on the Red river will be started on completion of the east Assiniboine crossing.

DUMPING DUTIES ON IMPORTS, 1956

Question No. 50—**Mr. Lennard:**

What was the total amount applied as dumping duties on goods entering Canada, during the calendar year 1956?

Answer by: **Mr. Dickey, Parliamentary Assistant, for the Minister of Trade and Commerce:**

Period January 1 to September 30, 1956, (latest figures available) $934,584.25.

AGRICULTURAL PRODUCTION STATISTICS, ONTARIO

Question No. 51—**Mr. Brown (Essex West):**

1. What quantities, in bushels, of (a) fall wheat; (b) spring wheat; (c) corn; (d) soybeans, were produced in the province of Ontario for each of the years 1950 to 1956, inclusive?

2. What quantities, in bushels, of (a) fall wheat; (b) spring wheat; (c) corn; (d) soybeans, were produced in each of the counties of Kent and Essex, in the province of Ontario, for each of the years 1950 to 1956, inclusive?

Answer by: **Mr. Dickey, Parliamentary Assistant, for the Minister of Trade and Commerce:**

1 (a), (b), (c) and (d) and 2 (a), (b), (c) and (d).

PRODUCTION OF FALL WHEAT, SPRING WHEAT, CORN AND SOYBEANS 1950 TO 1956

—	Fall wheat	Spring wheat	Corn for grain	Soybeans
		—thousand bushels—		
Ontario—				
1950	30,067	1,166	13,449	3,039
1951	19,696	952	15,765	3,843
1952	20,900	760	19,170	4,128
1953	26,206	740	20,404	4,406
1954	24,140	629	21,920	4,953
1955	19,963	537	31,300	5,650
1956	19,778	375	23,693	4,905
Kent county—				
1950	2,310	33	4,021	1,178
1951	2,092	68	5,148	1,549
1952	2,513	86	7,171	1,675
1953	2,955	70	7,646	1,638
1954	2,668	52	6,976	1,501
1955	2,056	38	10,772	2,034
1956		not available		
Essex county—				
1950	1,452	44	3,305	1,058
1951	1,270	66	3,632	1,612
1952	1,260	28	3,902	1,550
1953	1,906	31	3,767	1,465
1954	1,534	19	3,518	1,539
1955	1,588	20	5,263	2,041
1956		not available		

HOUSE OF COMMONS

Friday, January 25, 1957

The house met at eleven o'clock.

INCOME TAX ACT

AMENDMENT RESPECTING COMMUNICATION OF INFORMATION

Mr. Stanley Knowles (Winnipeg North Centre) moved for leave to introduce Bill No. 12, to amend the Income Tax Act (communication of information).

He said: Mr. Speaker, the purpose of this bill is to amend the Income Tax Act so as to make it possible for a minister of the crown to communicate to parliament information obtained under the Income Tax Act with respect to corporations. No change is made in the secrecy provisions so far as the income tax returns of individuals are concerned.

Motion agreed to and bill read the first time.

AMENDMENT TO PROVIDE FOR HEARING OF CORPORATION APPEALS IN PUBLIC

Mr. Stanley Knowles (Winnipeg North Centre) moved for leave to introduce Bill No. 13, to amend the Income Tax Act (corporation appeals).

He said: Mr. Speaker, the purpose of this bill is to amend the Income Tax Act so as to provide that when corporations take an appeal to the income tax appeal board the hearing shall be in public. No change is made with respect to the right to have an appeal heard in camera in the case of an individual.

Motion agreed to and bill read the first time.

EXTERNAL AFFAIRS

WITHDRAWAL OF ISRAELI FORCES FROM GAZA STRIP AND AQABA AREA

On the orders of the day:

Mr. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Acting Secretary of State for External Affairs in connection with the current matter before the United Nations and in particular as to the terms under which Israel is to retire its forces from the Gaza strip and the Aqaba area. Would the acting minister say what stand Canada intends to take, and in particular does it not intend to support the stand of Israel that withdrawal should not take place until adequate provision has been made to protect Israel from potential future acts of aggression? Would the minister say what attitude Canada intends to take on this matter and in particular whether the minister does not think that before withdrawal takes place there should be such defensive measures taken by the United Nations as would prevent a possible future outbreak of hostilities between Egypt and Israel?

Hon. Paul Martin (Acting Secretary of State for External Affairs): My hon. friend did not find it possible, I am sure, to give me notice of his intention to ask this question. In a matter so important he would not expect anyone to give an ill-considered reply. The Secretary of State for External Affairs is at the United Nations. The government is in continuous contact with him and does view this situation with the interest which the people of Canada would expect the government should have in a matter of such great importance.

Mr. Diefenbaker: The decision is to be made today in the United Nations, Mr. Speaker, and Canada's stand should be forthcoming. I think the House of Commons has a right to know what stand Canada intends to take on a matter as important as this.

Mr. Martin: My hon. friend will understand, of course, that the resolution provided for a report to the assembly by the secretary general at twelve o'clock today. Negotiations were under way last night and negotiations are under way now, so it would not be in the interests of those negotiations for me to state at this moment a position that cannot properly be taken until the full results of those negotiations are made known. I believe that will commend itself as the kind of reply which my hon. friend would, in these circumstances, make himself.

STATELESS PERSONS—CANADIAN ATTITUDE TOWARD UNITED NATIONS CONVENTION

On the orders of the day:

Mr. Colin Cameron (Nanaimo): Mr. Speaker, I should like to direct a question to the Acting Secretary of State for External Affairs. Can he tell the house if Canada is a

signatory to the convention on the status of stateless persons adopted by the United Nations economic and social council in September 1954 which states in part that:

Where a stateless person requires the help of the authorities of a foreign country to whom he could have no recourse the government of that country shall afford him aid.

Some hon. Members: Order.

Mr. Cameron (Nanaimo): And further:

A stateless person will not be expelled except on grounds of national security and then only after a decision has been reached by due process of law. In the event of expulsion he will be allowed a reasonable time within which to seek legal admission to another country?

Hon. Paul Martin (Acting Secretary of State for External Affairs): In view of the fact that my hon. friend did not give me advance notice of his intention to ask this question, the answer which I give is subject to verification. My impression is that we have now under study the convention that was projected and discussed at the United Nations, and that as a result of that study we will be in a position to determine when and if we should give our support.

UNITED NATIONS—INSTRUCTIONS TO CANADIAN DELEGATES RESPECTING SUEZ SITUATION

On the orders of the day:

Mr. John Pallett (Peel): Mr. Speaker, may I ask a question of the Prime Minister.

In view of the announcement made by the Secretary of State for External Affairs as to the importance of the next few days at the United Nations, and the circumlocution of the Minister of National Health and Welfare in answering the questions put to him by the Leader of the Opposition this morning, can the Prime Minister tell the house what instructions have gone forward to the Canadian delegation at the United Nations with respect to the position they should take concerning the Gaza strip, and if it is their intention to introduce a resolution to ensure full passage of all ships through the Suez canal, or to support such a resolution if introduced?

Right Hon. L. S. St. Laurent (Prime Minister): I cannot make any further disclosures beyond those made by the Acting Secretary of State for External Affairs. The hon. gentleman knows that this is a very important matter and that resolutions, to be passed by the assembly, require that there should be approval by two-thirds of the members giving an affirmative vote. Negotiations are taking place, and it is not possible at this time to determine in detail what the exact form of resolutions will be in order to bring about the results which we hope can be achieved. The question is being investigated very diligently and we are getting frequent reports from the Secretary of State for External Affairs (Mr. Pearson) about the progress of these negotiations, and he is fully aware of the interest of the government and of the Canadian public in the free passage of ships through the Suez canal and in the maintenance of the cessation of hostilities in that area; and all our efforts are intended to obtain satisfactory results with regard to these two important matters.

Mr. J. G. Diefenbaker (Leader of the Opposition): We have some difficulty in finding out what the Canadian position is. I ask the Prime Minister whether he agrees that this is the Canadian situation, as reported in the New York *Times* this morning: "that Israel should withdraw from all Egyptian territory without conditions, and on a mere nebulous promise that some time later the matter will be taken up". Is that Canadian policy, that Israel has to get out without guarantees being given in advance?

Mr. St. Laurent (Quebec East): It does not matter in what form the hon. gentleman asks his questions, I am not going to go further than I have gone up to the present time.

Mr. Fulton: Have you a policy?

Mr. St. Laurent (Quebec East): We have a policy, and the policy is to achieve results and not merely to achieve political partisan advantage here.

An hon. Member: What a temper!

Mr. Fulton: May I ask the Prime Minister why—

Mr. Speaker: Order. The hon. member for Meadow Lake had the floor.

Mr. Diefenbaker: Annoyance is no substitute for information.

HEALTH INSURANCE

INQUIRY AS TO FEDERAL GOVERNMENT PROPOSALS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, is the Minister of National Health and Welfare in a position to make a statement to the house as to the basis of agreement between the Ontario government and the federal government with respect to the implementation of the hospital insurance program?

Hon. Paul Martin (Minister of National Health and Welfare): Well, Mr. Speaker, I can add nothing more than what I have said already twice this week.

Mr. Knowles: May I direct a supplementary question on this matter to the Prime Minister? Is the Prime Minister aware of the fact that the four provinces, British Columbia, Alberta, Saskatchewan and Ontario, which have indicated agreement have a population representing 54 per cent of the population of Canada? In view of his own emphasis on the counting of noses does he not feel that this majority makes it possible for the government to go ahead now with this plan?

Right Hon. L. S. St. Laurent (Prime Minister): I have not made a calculation as to what proportion of the total population of Canada is represented by the latest statistics arising out of the census that was held last year, but there has been no change in the proposal that was made and announced in the house, that the government would make its recommendation to parliament when a majority of the provinces in which a majority of the population resided would have expressed their desire to go ahead with a scheme based upon that proposal.

Mr. Knowles: May I ask the Prime Minister a further supplementary question? How substantial does the majority have to be? It is now 54 per cent and if Nova Scotia comes in the majority will be 59 per cent. Is the government going to stand by and let a few provincial governments, representing a minority of the people of this country, veto this desirable health plan?

Mr. Martin: You know that is not the case.

Mr. St. Laurent (Quebec East): The word "majority" has a connotation that my hon. friend well knows. There is a majority of supporters of the government in this house, as he well knows, and—

Mr. Knowles: Elected on the basis of only 49 per cent of the total vote.

Mr. St. Laurent (Quebec East): —they would not be any less a majority were they substantially fewer in numbers than they happen to be at this time.

Mr. Fulton: And will be after the next election.

Mr. St. Laurent (Quebec East): That is my hon. friend's prediction but it is frequently the case that no one is a prophet in his own country.

INQUIRY AS TO DATE OF IMPLEMENTATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. In view of press reports that Ontario, although agreeing to the health plan, may wish to delay implementation for a year or two, can the minister say whether such a delay by one province will make it necessary for other agreeing provinces to delay similarly or can any province go ahead as soon as the plan comes into effect?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, my hon. friend is familiar with the terms of the proposals made by the federal government last year. There is nothing I can add. Those proposals provide in themselves the answer to the question which my hon. friend has put.

Mr. Knowles: But you are modifying the proposals.

POTATOES

GATT—RENEGOTIATION OF TARIFF AGREEMENT BETWEEN CANADA AND UNITED STATES

On the orders of the day:

Mr. E. D. Fulton (Kamloops): Mr. Speaker, may I direct a question to the Minister of Finance on a different subject? Can the minister say, or will he confirm, that an application has been made to GATT for permission to renegotiate the tariff agreement between Canada and the United States on the subject of potatoes? If so, will he inform the house whether those negotiations are under way?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I confirm that an application was made to GATT for the privilege of renegotiating with the United States the tariff on potatoes. Since that occurred a matter of only a few days ago I do not think anything has been done since that time.

Mr. Fulton: I did not quite understand the minister's reply as to whether permission was received.

Mr. Harris: Yes.

Mr. Speaker: The hon. member for Cape Breton South.

Mr. MacLean: May I ask the Minister of Finance a supplementary question?

Mr. Speaker: Does the hon. member for Cape Breton South wish to question the minister further on the matter raised by the hon. member for Kamloops?

Mr. Gillis: No; it is on an entirely different subject.

Mr. Speaker: Will the hon. gentleman allow me to see the hon. member for Queens?

Mr. Gillis: I give away to the hon. member for Queens.

Inquiries of the Ministry

Mr. MacLean: I have a supplementary question for the Minister of Finance. Will the minister assure the house that the negotiations will take place at as early a date as possible, with a view to having the outcome of such negotiations, if favourable, included in this year's budget?

Mr. Harris: Well, Mr. Speaker, the negotiations with the United States will be conducted at a time suitable to both parties and may or may not take a long time to carry out, I do not know; they may not even be successful. I am sure all hon. members who are concerned about this subject would hope they would be, and I would hope they would be and that we shall conduct the negotiations in that neighbourly spirit that will probably get results.

Mr. MacLean: I have a further supplementary question. If the negotiations are not completed in time for the results to be included in this year's budget, will any action be taken by the government to change the tariff and bring down legislation before the next year's budget is presented?

Mr. Harris: I think we ought to look forward to conducting negotiations with all the expedition that we can, together with a desire to achieve a desirable result. When that time comes it will be soon enough to decide what to do about the tariff itself.

PUBLIC SERVICE

RIGHT OF CIVIL SERVANT TO ENGAGE IN OTHER WORK

On the orders of the day:

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, may I direct a question to the Minister of Labour? Is it proper for a full-time civil servant employed by the unemployment insurance commission to engage in other work, such as being the director of a company like the Northside Freight Handlers Limited, now functioning on the island of Cape Breton?

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, I thank my hon. friend for giving me notice of his intention to ask this question. I would not consider it proper for a full-time civil servant to engage in such activities if they were in any way to interfere with good public relations of his office, or with the proper and efficient discharge of the duties of that office.

[Mr. Gillis.]

NATIONAL DEFENCE

REPORTED DISBANDMENT OF TWO INFANTRY BATTALIONS

On the orders of the day:

Mr. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Will the minister make a statement to the house concerning today's press report that two infantry battalions are to be disbanded?

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, there are at present in the Canadian regular army 15 infantry battalions and two armoured regiments. It is proposed to reduce the 15 infantry battalions to 13 for the present and to increase the two armoured regiments to three. Accordingly, two battalions of the Canadian guards, the third and fourth battalions, are being reduced to nil strength. The new armoured regiment is to be activated from the militia and I hope to be able to announce the name of the unit at an early date.

Mr. Churchill: May I ask the minister what is the name of the armoured regiment that will be formed from the militia?

Mr. Campney: I have just said that I hope to be able to make a statement very shortly giving that information; I cannot do so today.

Mr. Churchill: May I ask a supplementary question. May we now conclude that the department has adopted the policy of more armour and greater mobility for our army so long advocated by the opposition?

Some hon. Members: Oh, oh.

Mr. Campney: The hon. member can make his own deductions.

I would like now to answer the question the hon. member asked yesterday with respect to the facilities in the newly reconstructed Minto armouries at Winnipeg. I would answer his question by saying that in rebuilding this armoury there has been no change in the basic design and while there are facilities provided for basketball, volley ball, tennis and so on, as is the case in other armouries, no special provision has been made to have an indoor running track.

Mr. Churchill: Would the minister take it under consideration and perhaps make a change in the plan?

Mr. D. S. Harkness (Calgary North): Mr. Speaker, may I direct a supplementary question to the minister. What is the form to be of the projected new armoured regiment? Is it to be a regular armoured

regiment with Centurions, or an armoured reconnaissance regiment or an armoured car regiment?

Mr. Campney: I am sorry but I did not hear the last part of the hon. member's question.

Mr. Harkness: I asked if the projected new regiment is to be a regular tank regiment such as the two we have or an armoured reconnaissance or an armoured car regiment?

Mr. Campney: It is to be a regiment similar to the two already in existence.

MIDDLE EAST—LOCATION AND ACTIVITIES OF CANADIAN TROOPS

On the orders of the day:

Mr. D. S. Harkness (Calgary North): Mr. Speaker, I would like to address a question to the Minister of National Defence. Is the minister now in a position to make the statement which he stated on Wednesday last he would make with respect to the Canadian forces in the United Nations police force?

Hon. R. O. Campney (Minister of National Defence): No, Mr. Speaker, but I expect to be able to do so on Monday.

CANADIAN NATIONAL RAILWAYS

REPORTED TRANSFER OF WORK TO ABROGATE COLLECTIVE AGREEMENTS

On the orders of the day:

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, may I direct a question to the Minister of Transport? Is it the policy of the Canadian National Railways to abrogate agreements with legitimate unions by giving car cleaning contracts to organizations such as the Northside Freight Handlers Limited, now functioning in Cape Breton?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, the hon. member for Cape Breton South was good enough to give me notice of his intention to ask this question. I may say that I have communicated with the management of the Canadian National Railways who advise me that it is not their policy to abrogate any agreements.

An hon. Member: But they do it all the time.

Mr. Marler: I should like to take this opportunity to point out that on July 25 last I made a statement in connection with a similar matter, and I would refer the hon. gentleman to *Hansard*. I would also like to remind him that he is a member of the standing committee on railways and shipping owned and operated by the government and that when the accounts of the Canadian National Railways are before the committee he will be able to pursue to his heart's content the implications of his question today.

Mr. Gillis: Mr. Speaker, I might thank the minister for that answer, but I was afraid the committee he mentioned would not meet this year.

Mr. Marler: I hope, Mr. Speaker, the hon. gentleman's fear will prove not to have any foundation.

Mr. Gillis: Thank you, sir.

SHIPPING

PILOT BOAT ACCIDENT, SAINT JOHN—INVESTIGATION BY BOARD OF INQUIRY

On the orders of the day:

Mr. A. W. Stuart (Charlotte): Mr. Speaker, I should like to direct a question to the Minister of Transport. Has the board been established to investigate the serious tragedy resulting in the loss of the pilot boat outside Saint John harbour in which the crew perished? If so, when might we expect the investigation will get under way?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, a formal investigation is to be undertaken by the Hon. Mr. Justice W. A. I. Anglin as commissioner. Mr. George T. Clark, barrister, of Saint John, has been appointed counsel. The following have been appointed to assist the commissioner at the investigation: Captain A. W. Hilton, shipping master of Yarmouth, who is to serve as nautical assessor, and Captain George P. Elliott, retired marine superintendent, of Halifax is to serve also as nautical assessor. The investigation is scheduled to open at Saint John court house on February 6, 1957.

TELEVISION

INQUIRY AS TO PRODUCTION OF COLOUR PROGRAMS

On the orders of the day:

Mr. G. K. Fraser (Peterborough): Mr. Speaker, I would like to address a question to the Minister of National Revenue. Owing to the great fall-off in sales in Canada of black and white television sets, has the C.B.C. come to any decision regarding production of colour programs for C.B.C. and other stations?

Hon. J. J. McCann (Minister of National Revenue): The policy with reference to production of colour television is progressing. I do not know that there has been any change because of the fact that the sale of black and white sets has fallen off. We are

trying to keep up to date with other countries as becomes our importance. I am sure that the progress of colour television will go on in Canada, perhaps not as quickly as in our neighbouring country but sufficiently fast to meet the demand which we have.

GRAIN

WHEAT—INQUIRY AS TO EXPORTS TO COMMUNIST COUNTRIES

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I would like to direct a question to the Minister of Trade and Commerce, arising out of a report by prominent people in the grain industry to the effect that Canada's excellent export record in the sale of wheat to date this year may not be maintained. More specifically, can the minister say why so far exports have not been made to Russia or any of the satellite nations, and whether any part of the agreed quantity of 15 million bushels which Russia was to take this year is likely to be shipped in the near future?

Right Hon. C. D. Howe (Minister of Trade and Commerce): The government of Canada has a trade agreement with Russia which provides that Russia will buy a minimum of 15 million bushels of wheat this year. We have every reason to think that agreement will be carried out and we have been advised that certain ships have been chartered to move the wheat.

As far as dealings with iron curtain countries are concerned the situation in those countries is disturbed, particularly with respect to Hungary's position and to some extent Poland and Czechoslovakia. Purchases from those countries did not occur in the first half of the crop year last year and we are still hopeful that purchases will be arranged before this crop year ends.

OLD AGE ASSISTANCE

INQUIRY AS TO REDUCTION OF RESIDENCE REQUIREMENT

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I would like to address a question to the Minister of National Health and Welfare. Is the government planning to introduce at this session of parliament an amendment to the Old Age Assistance Act which will reduce the residence requirement from 20 years to 10 years? Such an amendment would bring this act into line with the Disabled Persons Act and the Blind Persons Act, and thereby prevent discrimination against new Canadians.

[Mr. McCann.]

Hon. Paul Martin (Minister of National Health and Welfare): I can only refer my hon. friend to the answer which I gave to that question in this house I think a week ago Wednesday.

ADMINISTRATION OF JUSTICE

DORCHESTER—REPORTED DISTURBANCE AT PENITENTIARY

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, I would like to address a question to the Minister of Justice (Mr. Garson). Has the minister heard of the disturbance at Dorchester penitentiary in New Brunswick, and, if so, is he in a position to give any details?

Hon. W. E. Harris (Minister of Finance): No, Mr. Speaker, but I am sure the Minister of Justice will on Monday if in fact there has been a disturbance.

WATER RESOURCES

UPPER THAMES VALLEY AUTHORITY—DECISION AS TO FEDERAL ASSISTANCE

On the orders of the day:

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): On Wednesday last the hon. member for Oxford (Mr. Nesbitt) asked if a decision had been arrived at regarding federal participation under the Canada Water Conservation Act for a proposed flood control and water conservation scheme on the upper Thames river.

I believe the best way in which to reply to the question would be by reading a short extract from the letter I wrote on January 17 to Hon. Mr. Nickle, minister of planning and development for Ontario. I quote:

> The proposals of the authority were given further careful consideration from an engineering and an economic standpoint. I may say now that from an engineering point of view the project appears to represent a comprehensive plan of river control, and that it would indeed serve to reduce flooding on the upper Thames river. However, following a review of the benefit-cost data made available to this department it does not appear that there is, as yet, a satisfactory demonstration that there are clearly defined benefits of sufficient value to justify federal participation.
>
> In these circumstances I would suggest that the best course would be for the upper Thames valley conservation authority to consider whether or not it is satisfied that the benefit-cost position has been investigated adequately. If the conservation authority believes that further investigation would disclose a more favourable picture, it may wish to provide the supporting data.

IMMIGRATION

C. G. HANNA—PAYMENT OF DEFENCE COSTS

On the orders of the day:

Mr. J. H. Harrison (Meadow Lake): I should like to ask a question of the Minister of Citizenship and Immigration. Is the defence of Christian George Hanna being paid for by a Vancouver newspaper?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, I have not the faintest idea. I know I am not paying for it, and I doubt if Mr. Hanna is in a position to do so.

FINANCE

POST OFFICE SAVINGS BANK—INTEREST RATE ON DEPOSITS

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): I should like to direct a question to the Minister of Finance. Has there been a recent change in the interest rate payable on deposits in the post office savings bank? If so, what is the change and what is the reason for it?

Hon. W. E. Harris (Minister of Finance): I am not sure that there has been a recent change but I would not be at all surprised if there has been, in line with the change in interest rates generally. However, I think the Postmaster General would probably be able to answer that question better than I can.

INTEREST RATES ON MUNICIPAL CAPITAL CONSTRUCTION

On the orders of the day:

Mr. John Pallett (Peel): I should like to direct a question to the Minister of Finance. Is the minister going to take some steps, either by expression of opinion or by definite direction, to make it possible for municipalities to finance necessary capital construction at lower rates of interest?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, the speech from the throne mentioned an item of legislation intended to be of assistance to municipal corporations. It is on the order paper and I hope we will reach it in due course in order that it may be given approval by the house. I think the hon. gentleman's question relates more directly to capital assistance to municipal corporations, and I do not recall that this parliament ever did that except during the depression years under an act passed at that time. However, several, if not all, of the provincial governments have on their statute books and in operation authority to assist either by the purchase or the guarantee of bonds issued by municipal corporations. I understand that a great many municipal corporations have had the benefit of these statutes in the past and are using them now.

Mr. Pallett: My question did not have to do with capital assistance but rather with direction as to the lowering of the interest rates charged on these bonds that even the municipal corporations to which the minister refers must pay. That depends entirely on direction from the minister. Has any thought been given to that?

Mr. Harris: Well, as I think the Prime Minister has said on other occasions, we consider everything that might be in the interests of the Canadian people.

CITIZENSHIP AND IMMIGRATION

INDIAN AFFAIRS—SITUATION ON HOBBEMA RESERVE, ALBERTA

On the orders of the day:

Mr. Ambrose Holowach (Edmonton East): I should like to direct a question to the Minister of Citizenship and Immigration. In view of the widespread public protest arising from the threatened expulsion of persons of Indian ancestry from the Hobbema reserve in Alberta, will the minister indicate to the house what consideration is being given to suspending these evictions?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, evidently the hon. member for Edmonton East was not in the house the other day when I answered a question put to me by the hon. member for Edmonton-Strathcona. There is nothing I could add to that statement at this time.

Mr. Harkness: Nothing you are prepared to do.

Mr. Holowach: Is it a fact that under the terms of the act the minister has the right to intercede and suspend such evictions?

Mr. Pickersgill: The other day I said I would not give the house legal opinions. I think that was a sensible view then and I think it is still a sensible view.

Mr. Holowach: May I just tell the minister—

Some hon. Members: Order.

Mr. Holowach: May I ask the minister a further question? Is the minister aware that the people of Canada have a heart and want a stop put to these senseless expulsions of Indians from reserves?

Mr. Pickersgill: I think if we ever reach the orders of the day the minister will be able to demonstrate that he knows very well

that the Canadian people have a heart, having regard to an item in the supplementary estimates.

LIVESTOCK

HOGS—INQUIRY AS TO INCREASE IN PREMIUM

On the orders of the day:

Mr. H. A. Bryson (Humboldt-Melfort): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Is it the intention of the government to increase the premium on grade A hogs at an early date, and, if so, by what amount?

Right Hon. J. G. Gardiner (Minister of Agriculture): I am sorry, but because of the noise I was not able to hear the question.

Mr. Bryson: Is it the intention of the government to increase the premium paid on grade A hogs at an early date and, if so, by what amount?

Mr. Gardiner: There has been no decision made to do so.

Mr. Bryson: I wish to ask the Minister of Agriculture a further supplementary question. He says that no decision has been made. Is the government giving active consideration to an increase in the premium?

Mr. Gardiner: The answer is no, Mr. Speaker.

RAILWAYS AND SHIPPING

INQUIRY AS TO SETTING UP OF SPECIAL COMMITTEE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the chief government whip, or perhaps I should refer to him as the parliamentary assistant to the Prime Minister. In view of the exchange between the Minister of Transport and the hon. member for Cape Breton South and in view of the fact that yesterday there was no motion to set up the special committee on railways and shipping owned, operated and controlled by the government, will such a committee be named by the House of Commons at this session?

Mr. W. G. Weir (Parliamentary Assistant to the Prime Minister): Mr. Speaker, I presume it is intended to do so. Arrangements are all ready to do so immediately it is called for.

[Mr. Pickersgill.]

HOUSE OF COMMONS

REFERENCE BY MR. SPEAKER TO ASKING OF QUESTIONS

On the orders of the day:

Mr. Speaker: I want to say that the question period today is an improvement perhaps over some previous days.

Some hon. Members: Oh, oh.

Mr. Speaker: But I want to add that it did not pass without notice as far as I am concerned that it is either impossible for some hon. members to find the rules I quoted yesterday—maybe they do not have Beauchesne, third edition—or if they have read them they do not understand them the same way I do.

SUPPLY

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

DEPARTMENT OF AGRICULTURE

Terminable services—

538. Freight assistance on western feed grains—further amount required, $2,000,000.

Mr. Harris: This item represents underestimating by the government as to the amount of feed grain that would be qualifying for this subsidy during the current fiscal year. We find that the amount previously provided is not sufficient. There has been no change in the policy, of course, and none is suggested by this supplementary item, but it does mean that during this fiscal year we will have paid a greater amount by way of subsidy on feed grain than at any time during recent memory, and the full amount of $2 million is needed now in order to make these payments.

Mr. Charlton: It is not my intention, Mr. Chairman, to criticize the payment of this freight assistance in any way, but to criticize the administration in so far as the red tape, etc., that has to be gone through is concerned and the fact the government has never made this a permanent policy as we have requested on many occasions in this house. The uncertainty with regard to this freight assistance has made it necessary for eastern feeders to avoid dependence on western grain for their feed requirements. It is for this reason that eastern feeders have probably increased their acreage of corn to a greater extent than would have been necessary had there been some stability in government policy with respect to freight assistance.

We never know when it is going to be dropped. It has been hinted on various occasions that the measure would be dropped. The farmer is never sure. We have asked on

several occasions that more storage space be made available for western feed grain and this has been promised. However, we are not sure whether or not it has been made available and on many occasions it has been difficult for eastern feeders to be sure of the quantity of western feed grain available.

I want to point out that this has been called, by certain people, a straight subsidy to eastern feeders. It is no such thing. It does enable the western producer to dispose of some of his surplus to eastern feeders in a great deal better way than he could if this freight assistance were not paid. The advantage, I think, it could be fairly said, is just about 50-50 between the western producer and the eastern feeder. If there is any truth in the fact the government is considering eliminating this policy then I wish they would come out and say so. As I say, there is no certainty in the mind of the eastern feeder as to whether the assistance will be continued. He cannot make his plans very far ahead, so he adopts the only other course—

Mr. Harris: Did my hon. friend not see the estimates that were placed before us the other day?

Mr. Charlton: Yes, I saw that, but tomorrow the government could say they were not going to pay it next year; that is what I am trying to bring out. We have asked on various occasions that this be made a permanent policy so the farmer would know what to expect from one year to the next. A man cannot change the rotation of his crops in two weeks. He cannot decide he is going to put in double the acreage of feed grain in two weeks. He has to plan ahead. If the government is not considering eliminating this assistance, then at least tell the eastern feeder what the policy of the government is. It has been clearly indicated to us today by the answers to the questions on the orders of the day that the government is continuing to consider matters but makes no firm statement as to what they are considering or what their decisions have been.

As I said before, as a consequence of this uncertainty eastern farmers have increased their acreage of corn and that is detrimental to the western producer because naturally if the eastern feeder is producing more corn then he is not going to require the amount of western feed grain he would otherwise require. Then, there is the matter of price which has caused some eastern feeders to hesitate about purchasing western feed grain. There are many uncertainties in connection with this system. As I said, we have urged the government to make this legislation permanent in nature. I hope the government will state now that the policy will be in effect for another year at least if they do not want to make it permanent, so the farmers can plan now for their future requirements.

Mr. Herridge: I am very glad, Mr. Chairman, that the government has not listened to the vociferous pleas on the part of the hon. member for Moose Jaw-Lake Centre for the abolition of freight assistance on feed grain. I am very pleased to know his is a voice crying in the wilderness in this respect. I trust that in respect to old age pensions, the difficulties from which we have been suffering and many other questions he has raised, his will continue to be a voice crying in the wilderness. We are pleased to know that the policy of the government is to continue this freight assistance. It is of great help to the farmers in British Columbia, particularly the dairy and poultry producers because the cost of grain is a major item in their costs.

I do urge the government to give reconsideration to the restoring of the reduction that was given effect last year, because this assistance is paid on the basis of so much per ton and every time there is a freight rate increase, from which the farmers have suffered recently, the percentage of assistance they receive in respect of this feed grain is lessened and lessened. I urge that consideration be given to that, particularly in view of the recent freight rate increases across Canada.

I have the honour to represent, on the whole, small farmers who work long hours and who receive a very modest return, but their costs are high with respect to feed grains. There is one community that is now paying $80 per ton for No. 5 wheat landed on the wharf at that point, and that is the highest cost of which I know at the present time. Then, the farmer has to truck it 20 miles in some cases. When you relate that cost to the farmer to what the wheat producers on the prairie are receiving you can see that someone in between is pinching quite a lot and it is the opinion of the farmers I have the honour to represent that it is the milling companies of Canada.

Now, because of that situation which has existed over quite a number of years there is a growing demand on the part of dairy and poultry producers in my constituency for the government to make arrangements to enable them to buy their wheat or grain direct from the farmer through the wheat board and overcome this middleman's cost. Our farmers are organized members of fruit associations, poultry organizations and dairy organizations, and they would not for a moment want to do anything that would destroy the effective organization with respect to the marketing of wheat on the prairies. But we do suggest that the government could give consideration

to making some arrangements for these producers to buy in carload lots direct from the farmers through the wheat board and overcome this middleman's cost. That is all I have to say on this question, at the present time, Mr. Chairman. In conclusion, I once again urge the government to reconsider the amount of the subsidy in view of the recent increase in freight costs.

Mr. Quelch: We, in this group, have always supported the policy of freight assistance on feed grains to both the east and the west. I agree with the hon. member for Brant-Haldimand that there should be a greater degree of permanence given to this legislation so the farmers would know this policy will continue and they can plan ahead. I have one or two questions I should like to ask in this regard. Can the minister say what was the total amount of freight assistance given on shipments to both the east and the west? Can the minister break down both of those amounts to show how much was for oats, how much for barley and how much for wheat?

Mr. Harris: No, Mr. Chairman, I can give the total over a number of years of the payments made with respect to the shipments in all the provinces, but the details as to how it is broken down in the various kinds of grain I could not give. I can only add that I notice it comes to some $254 million over the period of time that the subsidy has been in effect. This year the increase is expected to be something in the order of 200,000 tons more than last year, but I will put on the record by way of answers to questions the information requested. As to the permanent side of it, I might draw to the attention of the committee that I am afraid I am entering into a discussion of next year's estimates. The reason I intervened when the hon. member for Brant-Haldimand was speaking is that the provision is in this year's estimates again.

Mr. Knight: I assume the government is not responsible for the quality of feed grain sold under this legislation. When the hon. member for Kootenay West was speaking he must have drawn to the attention of the committee whether or not the government should subsidize the freight charges upon rubbish such as certainly is received sometimes by the farmers in the maritime provinces. I do not know whether I should say this, but I think there is a distinct connection between the subsidization of freight and the quality of the material that is shipped to the eastern provinces. I am well aware of the fact that a good deal of the mixing is done in the provinces. I personally have seen what was supposed to be feed grain put out by private mixers in one of the maritime provinces and I saw a farmer in one of those provinces mix some of the so-called feed with water and offer it to his hogs. They refused to eat it.

I think I might add a word on what the hon. member for Kootenay West has said. I have mentioned this before. Apparently it is not a good idea because nobody ever does anything about it. It seems to me that when there is a feed industry of such great volume as they have in the maritime provinces the farmers should get together in their co-operatives and buy grain, as my colleague suggested, not necessarily from the western farmers through the wheat board but from the wheat board itself. I do not care whom they buy it from, but I think it should be bought under a Canadian certificate of quality so that those people would know what they are getting.

I am well aware of the fact that a great deal of this mixing is done by private concerns. There is a great bulk of wheat seeds, rubbish, wild oats, wild buckwheat and other grains of that kind that disappear every year. They go somewhere. My suspicion is that they go into the stomachs of maritime hogs.

Mr. Fulton: I want to say just a word on this problem raised by the hon. member for Kootenay West. The interest of the farmers in my constituency in the question of feed grain arises mainly in respect of the cattle ranchers who wish to put their cattle on grain to finish them for market. Our area is not a good grain-growing area but it is a very good cattle-ranching area. The situation is that we are in direct competition with prairie beef on the British Columbia market. The British Columbia ranching industry does not produce more than from 40 per cent to 45 per cent of the beef consumed in our province. The rest is brought in mainly from Calgary and Edmonton, but most of it from Calgary. Therefore, it will be seen that in our own domestic market we compete with prairie beef, probably 100 per cent of which is grain-fed. When we pay the prices for our feed grain, which the hon. member for Kootenay West referred to, it will be seen that we are at a very distinct disadvantage, particularly in light of the fact that the fashion being set now is almost universally for grain-fed beef. We know that well-finished, grass-fed beef is just as good as grain-fed beef, but we are a minority producing province and it is virtually impossible to fight against the trend for feed-grain beef which is set by the packers. Something has to be done. Either the feed-grain assistance must be increased or else our

ranchers must be allowed to buy direct from the farms on the prairies their supplies of feed-grain, as the prairie farmer is allowed to do now. It may be that it would have to be a combination of both.

The prairie farmer gets his feed grain at about $20 or $25 a ton from his neighbour without any interference. We are not allowed to buy it direct from the farm and if we do we do not get any feed grain assistance in bringing it in and so we are hit both ways. It is an economic problem of great proportions for our farmers. I am not speaking for an area that is not really a good beef-producing area; I am speaking for an area that is a good beef-producing area, as the Minister of Agriculture knows, but which is squeezed between the two policies of the government, one of which seeks to reduce the feed grain assistance per ton, while the other makes it impossible for the farmers to buy their grain at prices which will enable them to compete with their competitors on the prairies. If the policy of not permitting direct farm purchases is to be followed, then I think the only fair thing to do—and I insist the only fair thing to do—is to increase the amount of feed grain assistance so that our farmers will be relieved by that action from the consequences of the unfair competitive position they are placed in by the other action of the government.

Since we are discussing this question of feed grain assistance, this seems to me to be the appropriate place to bring it up. The Minister of Finance apparently is in charge of putting these supplementary estimates through. I put it to him, and he has the choice, in fairness, of increasing the amount provided for feed grain assistance or persuading his colleagues to permit us to buy grain direct from the prairies.

Mr. Hahn: I would be remiss in my duties if I failed to take part in this particular discussion by reason of the fact that some of the questions raised are of relative importance to the district which I represent.

I feel, as do other hon. members, that the feed grain assistance must be maintained. I was very interested in the observations made by the hon. member for Brant-Haldimand because I recall that on April 9 last year, I think it was, when the board of transport commissioners held their hearings in respect of freight rates, a portion of a letter from the Minister of Agriculture was read in which he was purported to have written that there is of course a possibility parliament might change the law.

As I recall it, about February 28, 1954,—I have not the *Hansard* here—when this same minister brought in a change in the regulations which drastically reduced feed grain assistance to my province, it had a dire effect upon the industry in the lower mainland of British Columbia.

I fully realize that what the Minister of Finance said is quite true—and I think he would agree with me—that when a certain figure appears in the estimates it does not necessarily follow that it will be used. If the government decides that the regulations are going to be changed, then we can have such a change and it can have a marked effect upon our industry in British Columbia. The fact remains that agriculture is the third most important primary industry in British Columbia, second to logging and mining. It does play a very important part in our lives.

With respect to the question raised by the hon. member for Kamloops, I would draw to his attention and to the attention of the committee that possibly the answer is not entirely in the fact that we have this feed grain assistance that he mentioned.

I hold in my hand a clipping from the Manitoba *Co-operator* of June 21, 1956, which would indicate that the complaint of one Stephen Francis Murphy, a turkey farmer from Mission, British Columbia, was heard by the courts and the following judgment was handed down:

> Had the plaintiff transported his own grain from Manitoba to British Columbia for his own use, I question whether the prohibition would apply. Here the plaintiff purchased grain in Manitoba and tendered it for shipment to a company in British Columbia.

The fact remains that a British Columbia farmer is not permitted to buy grain from any of the prairie provinces without having it go through the wheat board. I am not opposed to that. I feel the wheat board is doing an excellent job in this country and I would like to see it retained. However, the difficulty as I see it is summed up in this article from the *Financial Post* of December 10, 1955. I realize that the date is old but it has a significant bearing on this matter. Under a dateline from Lethbridge, Alberta the article says:

> At the 90 cent level, feedlot operators were swamped with deliveries of high-grade wheat. Many bought enough grain to maintain feeding operations for two years.

The farmers in Alberta and Manitoba can exchange grain at any price they wish and for considerably less than what we pay in British Columbia. The article continues:

> I have just sold 10,000 bushels of No. 2 wheat at 60 cents a bushel not because I need the cash but rather because I don't see any hope of selling all my grain to the wheat board within the next two years.

Compare that with the minimum price the British Columbia farmer pays for No. 5 wheat of about $3 a hundredweight.

There we have a specific instance of what is being done on the prairies. I do not blame the prairie farmers. They have to get ready cash and this is a common-sense way of carrying on business, but why should they be denied the right of sending grain into British Columbia on that same basis? Better still, why should the British Columbia livestock and poultry producer be denied the right of purchasing grain on the same basis as does any farmer on the prairies? If the price is going to be consistent they should all pay the same price. We have the awkward position spoken of by the hon. member for Jasper-Edson wherein farmers in his area who raise a great deal of feed grain find it impossible to send their grain into the British Columbia market because merchants in British Columbia find it to their advantage to import birds and other products from the United States. We are not only denying a proper market to the British Columbia producers but we are also denying the prairie farmers the right to send grain into that area. I would therefore strongly urge the minister to consider a further supplementary estimate in this respect in the forthcoming year to bring back into effect the $5 that he removed on February 28, 1954.

Mr. Jones: Mr. Chairman, I would like to endorse a great deal that has already been said particularly by the hon. member for Saskatoon who complained of the quality of the grains that are being sold in markets as feed. I saw a sample not long ago which I am sure consisted mainly of sweepings and dust. It was totally unfit to be put on the market for sale and I think the minister should carefully consider the type of feed that is receiving the subsidy; otherwise we are encouraging a trade that is of no credit to Canada through shipping such grain.

I would also urge support for what was said by the hon. member for Kootenay West regarding dairy and poultry producers being able to bring their own grain from the prairies. In my area we have several retired wheat farmers who are now engaged in fruit growing and from them I have learned that if they want to get grain from their own farms on the prairies it cannot be done directly, nor can they ship their own fruit from British Columbia to the district on the prairies where they formerly lived because that is forbidden and so they must have a middleman and the railway companies each taking a pound of flesh out of both products in which the farmers are interested.

The result of this is that on the prairie a farmer has to sell five bushels of grain to buy a basket of apples and in the Okanagan valley he must sell five baskets of apples to buy a bushel of grain. The whole situation is stupid and the intervening red tape which causes this discrepancy in the cost of moving the products should be removed. I feel that the assistance now given is completely inadequate, but over and above an increase in the assistance some step should be taken to make it possible for a farmer who formerly lived on the prairies, and who is now interested in doing so, to bring in feed grain he cannot sell from his own farm to British Columbia through the wheat board but not through other channels. I think much could be done to help the prairie farmers dispose of their feed grain and the poultry and dairy farmers of British Columbia to take advantage of a fair price for their commodities.

Mr. Pearkes: Mr. Chairman, I appreciate the difficulties of the farmers on the mainland of British Columbia but those difficulties are quite small compared with the problem which faces the poultry men on Vancouver island because not only do they have to pay freight by rail but there are the additional charges to move the feed from the mainland to Vancouver island.

As is well known, owing to the skill of the breeders on Vancouver island a strain of turkeys has been developed which is sometimes referred to as the double-breasted bronze which are now accepted all across Canada, and the entire turkey business very largely depends on the ability of the Vancouver island breeders to produce enough eggs to sell the day-old poults to the breeders in other parts of the country.

I feel that the business of the legitimate feed merchants should be protected because while it may be possible for some of the larger farmers to purchase feed direct from farmers in Alberta or Saskatchewan nevertheless the majority of the small farmers will not buy in carload lots and will have to deal through regular grain merchants. From the information I have received from grain merchants on Vancouver island I am convinced that their margin of profit is extremely small. It would seem to me that the solution to this problem would be to restore the freight assistance to the amount it was a few years ago before the reductions were unfortunately made. I do hope that in the coming year it will be possible for the government to increase freight assistance over the amount that is now being provided.

Mr. Gillis: Mr. Chairman, I have just a few words to say on this particular item not because I am a farming expert but because

I am taking a look at the economics of this proposition. In the main estimates there is a provision for $16,500,000 for feed grain assistance.

The minister is realistically stepping them up $3 million more this year. That is quite a bill and it is accumulating from year to year. As I see it the questions of feed grain and fertilizer are interlocked; they go together.

I do not see any reason why the maritime provinces should not supply themselves with feed grain provided they are given the necessary assistance, particularly with respect to obtaining fertilizer for the purpose of rehabilitating their land. I think it is time that we began to think of that. The other place is establishing a committee to look into the question of better uses of land and the Gordon commission also emphasizes that matter.

During the war, I think around 1942, the department of munitions and supply made a grant to the Dominion Coal Company for the purpose of research into the use of the slag at the steel plant as a fertilizer. Quite a lot of money was spent on that. I do not know whether or not a report was made by the company. However, a few weeks ago an eminent agricultural expert in the maritimes made the statement that there were 100,000 tons of slag being thrown away each year at that steel plant which could have been used as fertilizer on the land in Nova Scotia.

It is costing a lot of money to take feed grain from the prairies into the maritimes. I think that the cost down there is about $80 a ton; it is $60 in British Columbia. I know that fertilizer is well over $90 a ton. The point I am making is that this assistance is necessary in the unplanned use of our land at the present time. I do not think that the answer is just in continuing to give assistance but is also in what the Senate committee will find and what the Gordon commission will find as to better utilization of our land in our own area. I believe that the questions of fertilizer and feed grain are interlocked. I might tell the minister that in my lifetime we had one of the largest fertilizer plants in Canada located at that steel plant in Sydney. It was there until the late thirties but it followed the other industries into Canada. Now we are dragging it back and paying subsidies on feed grain and other commodities which we think could be produced in the maritime provinces for our own use at least.

I wish to leave this observation with the minister because it is true, at least I think it is, that there is 100,000 tons of slag which could be used as fertilizer and thereby provide fertilizer cheaply if not gratis to the farmers in that area, which would assist them and persuade them to go into the production of feed grain.

Mr. MacLean: Mr. Chairman, there is a point or two which I would like to bring to the attention of the minister and also to the attention of the Minister of Agriculture regarding assistance with respect to feed grain. I believe since the main estimates on this were passed during the last year there has been an increase in freight rates, and this has had a very detrimental effect on the economy on using feed grains from the west in the maritimes in spite of the assistance, because as has already been pointed out by some hon. members, especially the member for Kootenay West and the member for Humber-St. George's, in the throne speech debate, and I would commend him on what he had to say to the minister, by reason of the 11 per cent increase in freight rates the freight cost of delivering a ton of grain in the maritimes has increased, depending upon the area, as much as 50 per cent of what it previously cost.

As a result of a whole series of freight rate increases since this legislation was first introduced much of its benefit has been dissipated because the actual cost per ton in freight on feed grain brought into the maritimes has increased. It has gone up rapidly, I believe, because there has been no corresponding increase in the amount granted by the feed grain assistance legislation. I would like to have some information from the minister as to what is the actual freight rate cost of delivering a ton of grain to some representative point in the maritimes, and also what it was when this legislation was first introduced, what it is now and perhaps what it was at an intermediate point when the freight rates were at some intermediate figure. In any case this rapid increase in freight rates on feed grain to the maritimes has in many instances made the difference between a profitable and an unprofitable operation in the case of persons who are producing pork, turkeys and many other things. The result now is that many farmers in the maritimes have gone completely out of pork production because of the increased cost of feed.

For the last couple of years in the maritimes we have had the absurd situation that when a woman goes into a meat shop, especially during the holiday season, to buy a turkey she is as likely as not to get a turkey which was raised in California or in some other large turkey ranch in the United States. Part of the reason why these imports are increasing is that they are more highly processed and in most cases are ready for the oven when bought; frequently that is not the case with respect to Canadian turkeys.

I would also like to have verification on another point. Most farmers in the maritimes are under the impression that there are only certain sources from which they can obtain western feed grain. I think it would be to the advantage of all concerned if the situation could be clarified by the minister so that individual millers in the maritimes, or co-operatives or others who import feed grain, would be fully apprised as to what are their privileges. I am under the impression that they could order grain direct from some company in western Canada which is acting as an agent of the wheat board and have it shipped direct or perhaps even from a line elevator. I am not sure on that last point. If that is the case I think it should be more generally known.

Mr. McLeod: Mr. Chairman, I would like first of all very strongly to endorse the point made by the member for Okanagan Boundary and then I would like to cite certain instances in my own area. Farmers in my own area are not retired fruit farmers, but are dairy farmers who own farms on the prairies and receive a share of the crop and they would be very glad if they could go into the province of Saskatchewan with their own trucks and haul the feed into their own part of the country. However, the minister knows that that is contrary to the regulations concerning the grain trade at the present time.

In my riding I have a problem a little different from that which exists in some of the others. We produce a lot of wheat which is shipped in carload lots, mainly to the coast, for feed purposes. It is evident that the price they receive for that grain according to the local market in British Columbia is depressed by the amount of the subsidy. I agree, Mr. Chairman, that in the over-all picture of British Columbia the subsidy is of great assistance to the agricultural economy and must be continued; indeed, it should be raised, but at the same time I would suggest that our wheat growers in that part of the province which I represent, when they ship their grain to the coast for use there as feed, should be entitled to the same subsidy as if the grain came from the prairies. That is the only point I wish to make.

I would like to add my support for a continuation of the subsidy and for an increase of the subsidy, but I would also suggest very strongly to the minister that he take into consideration the point I have made regarding a subsidy to our growers of wheat when they ship their grain to the coast for feed purposes.

Mr. Cameron (Nanaimo): Mr. Chairman, I wish to support some of the things that have been said here with regard to the position of dairy and poultry farmers on the coast. There are quite a large number of poultry farmers in my constituency, and they suffer very badly from the effects of the present price structure with regard to feed. Some of them have, I think, been overcoming their difficulties recently by bringing in feed grain from the Peace river block of British Columbia which they can do, of course, without interference by the wheat board authorities.

However, I think there are certain disadvantages about that type of solution. In the first place I do not think we should rely on records which might undermine the position of the wheat board and, in the second place, the supply of feed grain from the Peace river block is fairly limited; they don't get a subsidy. It has occurred to me for some time, Mr. Chairman, that we are overlooking a very useful natural advantage that we have in western Canada. We have on the Pacific coast the only temperate climate in Canada—the only mild climate.

Mr. Nesbitt: What about ours?

Mr. Cameron (Nanaimo): It is merely a matter of meteorological fact, and because this is a matter of meteorological fact it means that on the Pacific coast the production of dairy and poultry products can be undertaken in much more advantageous circumstances than it can in more severe climates. We have on the other side of the Rockies one of the major grain-growing areas of the world, and it does seem strange to me, Mr. Chairman, that we have not yet achieved some arrangement of our agricultural economy in this country whereby the enormous stocks of feed grain for which, according to my colleagues here, the prairie farmers receive the very minimum of income, cannot be transported to the Pacific coast for use in the manufacture of dairy and poultry products under the very best conditions.

I admit that this is not entirely due to the operations of the government, but it is perhaps due in part to the failure of the government to take action. In British Columbia almost the entire feed business is under the control of two firms; one is a wholly-owned subsidiary of one of the large milling companies of Canada, and the other has a close connection with a milling company by virtue of interlocking directorships. The "spread" between the price paid to the producers of grain and the price paid by my constituents is almost unbelievable, and as an instance of this robbery that is going on I would like to cite the case of one of my constituents who has a very large turkey

farm. He decided one day that he was "fed up" with the enormous price the feed company was charging for grain, so the next time the salesman for that company came round he said he was making arrangements to bring grain from the Peace river, and instal his own grinding machinery. The salesman promptly reduced the price by $17 a ton.

The government did institute an investigation, some years ago, of this particular factor in our economy—the milling industry—and some quite startling revelations came out of that inquiry, but no action was taken at that time. I would suggest, Mr. Chairman, that while the subsidy on grain feeds is certainly desirable and, as the hon. member for Okanagan-Revelstoke said just now, should be increased, that in itself will not solve the main problem, which is to see that the produce of the prairie farmers reaches the people in my constituency and province who need it, paying the least possible tribute to the middleman in the process.

I would commend to the Minister of Agriculture that he undertake a very careful restudy of that hearing which was held with regard to the milling and grain industry a few years ago, and consider whether or not there are some steps he could advise his colleagues to take in order to remedy this fantastic situation in which a stable and profitable dairy and poultry industry on the Pacific coast is being hamstrung year after year owing to this enormous "spread" between the price paid to the prairie producer and the price paid by the poultry and dairy producers on the coast. I think this is a matter of urgent national importance, and some steps should be taken by the government to remedy the present situation.

Mr. Nowlan: Mr. Chairman, I have spoken on this and similar matters on several occasions in the past, and therefore I propose to speak for only a moment or two now. I want to say again what I have stressed in the past, namely that this is not to be considered in any way as a "handout", or as assistance to something which does not give a definite economic return to the Dominion of Canada. I am quite certain that of all the expenditures made by this government in all phases of activity there is none which has produced a greater economic return than this, or helped more, in our area, to increase the gross national product to which the Minister of Finance is so pleased to refer.

We have developed in the east today an agriculture industry which is dependent almost entirely on this freight rate subvention. In the county of Kings, in my constituency, we have one of the largest poultry-raising areas in Canada. A few years ago it was on a deficiency basis. Only the day before yesterday one of the leaders in the establishment of that industry, Mr. Manning Ells, the largest producer of day-old chicks in Canada, and the man who founded the poultry industry in that whole area, died. It was due to his leadership, to a large extent, that the poultry industry grew as it has done.

I want to emphasize, Mr. Chairman, that this matter of a subsidy is vital. Secondly, I join with others who have spoken in believing that in view of the increase of freight rates which has taken place the government should give consideration to increasing the subsidy; whether or not that can be done at present is a matter of government policy, but certainly the speeches made in this house indicate the necessity of such action. It does not do a man much good to receive a subsidy which met the case a few years ago; today we are confronted by a continued horizontal increase in freight rates until the benefit of any subsidy received has been largely wiped out. It would be interesting to know the position of the producers in the maritimes today with regard to the effect of this subsidy as compared with their position before this horizontal increase in the freight rates came into operation.

Again I want to urge that the time has come when this should be made a permanent part of government fiscal policy. The hon. member for Brant-Haldimand asked this morning if there was any truth in reports that this scheme might be discontinued. The Minister of Finance, of course, can say: Well, look at your estimates. But as the hon. member for Brant-Haldimand pointed out, the estimates are only for this year, and even then we are not sure whether they are going to be adopted or whether the money is going to be spent.

At its recent convention the party to which I belong adopted as one of its planks that this policy should be a part of the permanent economic policy of the Dominion of Canada. It is not fair to producers who have risked their savings, who have developed the industry as they have and have turned a deficit area into a surplus one as they have in the east, to be dependent on the vagaries of a government to determine whether they are going to include X dollars for the subsidy this year or whether they are going to include Y dollars or whether they are not going to include anything. Then too, up until recently at least, we

have had half of the amount voted in the main estimates and the other half voted in the supplementaries.

This is one of the most important things which has been done for agriculture in eastern Canada in the last 20 years. It is justified in every way, shape and form. It has returned more money to the Dominion of Canada than any other one expenditure made for agriculture in the east. I am sure that no government would think of doing away with it, but let us have it written into the law in such a form that the producers can go ahead with some certainty. They face enough difficulties today without having to wonder about the whims and caprices of this government or any government that might be in power, and the time has come when this scheme should be made permanent.

Mr. Johnson (Kindersley): I have a question. I should like to ask the minister to clarify the problem to which the hon. member for Nanaimo referred. If a co-operative in British Columbia, Ontario or the maritimes were desirous of making a purchase of grain from a farmer in western Canada, would the subsidy be granted? I know that they would have to make the paper arrangement of having the grain sold to the Canadian wheat board and then in turn purchasing it from the board. However, can a co-operative or a large farmer buy a carload of wheat from a western farmer through the channels of the Canadian wheat board and still receive the subsidy on that carload of grain? Suppose someone—it might even be someone with a large turkey ranch as the hon. member for Nanaimo said—wanted to buy a carload of No. 6 wheat from a farmer in Saskatchewan who had a large enough quota to fill a car. Could he make arrangements with the wheat board to buy that car from the farmer, have the car shipped directly to him and purchase it from the wheat board and receive the subsidy on that carload of grain?

Mr. Gardiner: Mr. Chairman, it has been suggested that I might say something on this matter and one or two other matters that have been mentioned. I had hoped that I would discuss these matters on the general estimates of my department which deal with these different problems. This item only deals with one thing and I do not think we are completely in order in discussing quite a number of other things. This item only has to do with assistance on freight.

The question which has just been raised is one which does involve the farmer in some difficulties but at the same time it is very difficult to see how it can be otherwise if we are going to have the wheat board system.

[Mr. Nowlan.]

The legislation that we have goes just as far as we can go under the constitution. We can control the passing of grain over a provincial boundary line and we do that under the wheat board act, but when it comes to moving grain within a province we are not able to control that.

That results in some of the things that have been mentioned, the first one being that according to a letter that was written one farmer had sold wheat to another at 60 cents a bushel, and the suggestion is that he ought to be able to sell it from one province into another at 60 cents a bushel. I have said before and I am going to repeat that is something that can be corrected by the prairie governments. It should not be permissible for a farmer or feed dealer to take advantage of a farmer who is in difficulties because he cannot get cash to induce him to accept 60 cents a bushel for wheat that is worth $1.40 even on the basis of the advance payment. There is only one authority that can stop that and that is the provincial authority. I suggest to some of my friends opposite who have been doing considerable talking that they have far more influence with these governments than I have.

Mr. Argue: Why do you not answer the question?

Mr. Gardiner: I suggest that they use their influence. I am answering the question which you were talking about out in the west a while ago and you will be talking about it again.

Mr. Argue: When?

Mr. Gardiner: The suggestion is that because wheat was sold in Alberta by one farmer to another at 60 cents a bushel it should be possible to sell it over the boundary line into British Columbia at 60 cents a bushel from one farmer to another. I do not think it should be possible in a province on the western plains for wheat to be sold at 60 cents a bushel within that province when that wheat, even on the basis of the advance payment, has a value of $1.40 a bushel. That is something that can only be dealt with by the provincial governments.

With respect to the other question of moving wheat through the wheat board, it stands to reason that when the wheat is put into the elevator then no matter which elevator it is the farmer gets an advance payment and he also has the right to get interim payments and the final payment when they are made. Therefore he is not only entitled to the initial payment when the wheat goes into the elevator but to full final payment.

The wheat board insists that the wheat remain in position to obtain when it is sold to

the purchaser and no matter where it is sold the price which can be obtained at the time it is sold. Therefore what is actually said is that you can put wheat into an elevator of a certain elevator company or one of the pool elevators and it can be shipped over the mountains into British Columbia or shipped elsewhere and then you can get the wheat from the wheat board out of the elevator of that same company. It may not be exactly the same wheat. I do not suppose they can follow it through. Having taken it into the elevator at the initial point, it would be difficult to declare that it was exactly the same wheat but it would be wheat of the same grade, and it could be purchased on the other side of the mountains at whatever price the board is selling wheat on that particular day.

That money comes back into the pool and there is provision for interim payments and a final payment. If we are going to have the wheat board system I do not know how it can be done in any other way in order to make absolutely certain that the farmer on the one side of the mountains gets his proper initial payment and the farmer on the other side pays whatever the current price is at the particular time he takes it out. Therefore the whole thing enters into the transactions in connection with the pool that is carried on by the wheat board, and that is possible at present and can be done.

One or two other questions were raised during the discussion which I think I should mention while I am on my feet. One had to do with the quality of the feed which a person in the maritimes purchases or the quality of the feed on the other side of the mountains. I have continually before me on my desk in my office a list of the prices of feed for chicks on the other side of the mountains. One of the very big costs involved in those prices is fish meal which certainly is not produced on the prairies. It is produced right near where the chickens are fed. In addition, other parts of the cost are ingredients which are not involved in these freight payments at all. It is only the grain that is involved in that, and it is not grain as it is ground into feed even down in the maritime provinces or in Ontario, but it is the wheat, oats and barley that is shipped and the freight is paid on it. Then, some feed merchant in one or the other of the provinces takes that grain and has it ground into feed which is sold to the farmer. It is quite a different product from the product on which the freight assistance is paid initially.

I am quite sure that hon. members will agree too that when you put that ground feed, even if nothing else is in it but wheat, oats and barley, if you put it into a bag and have the bag all handsomely painted up, there is a considerable part of the cost which the farmer is paying which is not related to the grain but is related to some service. I quite understand my hon. friend from British Columbia indicating that all the farmer had to do when he was talking to the feed merchant was to point out he could ship the grain from the Peace river area down to where he was at a certain price in order to get the tonnage price of the finished product reduced by $17. Again, I call attention to the fact that is a transaction entirely within the province of British Columbia. This government has nothing to do with it whatever.

Mr. Fulton: You will not pay feed grain assistance on it?

Mr. Gardiner: Of course, we do not; we do not within any province. We do not pay freight assistance on the movement of grain produced within a province to some other place within the province. As my hon. friend has said, the farmer can go to the feed merchant and say: Here I can get that grain from the Peace river country shipped down at such a rate and I can grind it myself. The feed merchant naturally does not want the farmer to get into that practice. Every farmer can do that. He can send over to the prairies and get it through the wheat board method at a much lower rate than he is being charged by the man who ground the feed, but the feed merchants do not want him to do that. This is merely a matter of bargaining between the individual on the one hand and the feed man on the other. The whole transaction is carried out within the province, and if there is any regulation of it required it would be done by the province.

I repeat that while it would probably cost a little more to get it over the mountains into Vancouver than it does to get it down from the Peace river country, or perhaps it is vice versa, I do not know, but whatever the difference is there is far more than that added in many of these instances referred to by other costs that have nothing to do with freight rates on the shipment of grain. I would suggest again, therefore, that many of these questions could be better discussed when we get around to my estimates, at which time they could be discussed under the different items to which they belong.

Mr. Johnson (Kindersley): The minister almost accidentally answered my question. The question was quite a simple one. I think the minister realizes you can—

Mr. Gardiner: I should like to point out I was not answering your question alone but I was answering the questions of a dozen members.

Mr. Johnson (Kindersley): My question is directly related to the feed grain subsidy, the item under discussion. It is quite a simple matter to retain the identity of a carload of grain. A large group of farmers could load directly in a car and, still selling through the Canadian wheat board,—I have done it myself—it would be a simple matter to maintain the identity of that car until it reached the producer who was buying the grain from the wheat board.

Mr. Gardiner: Well, do it. There is nobody stopping you.

Mr. Johnson (Kindersley): That is important. Then, is the feed grain subsidy paid on the carload of grain to the co-operative or individual who is purchasing it, whether he be in Ontario or British Columbia?

Mr. Gardiner: Certainly, the freight subsidy is paid no matter who shipped it or how it was shipped. It is paid at the other end when it is proven it was feed grain.

Mr. Fulton: The point is that it still costs three times as much to our farmers in British Columbia as it does to the farmer on the prairie.

Mr. Gardiner: No, it does not.

Mr. Fulton: Yes, it does, and I have sent the minister the figures which come from the cattle co-operative in my constituency and which show exactly what it costs them to land the various grades of wheat, oats and barley at the delivery point, and buying it through the board, not through a middleman but through the board. These figures show that for the same quantity and the same grade of grain it costs the farmers three times as much in British Columbia as it does on the prairies. It is that situation to which I referred. Either you have to help us by increasing the amount of freight assistance or you have to help us by allowing us to buy direct from the farmer on the prairies the same as the cattle raiser on the prairies can buy direct from his neighbour.

Mr. Gardiner: I cannot let that pass, that it costs three times as much to get grain—

Mr. Fulton: It is $65 a ton as against somewhere between $20 and $25 a ton. I will send the minister the figures.

Mr. Gardiner: You are talking about feed that has been mixed up with other things. I am talking about grain.

[Mr. Johnson (Kindersley).]

Mr. Fulton: And I am talking about grain.

Mr. Gardiner: I am talking about grain, not mill feeds.

Mr. Fulton: Why do you say I am not talking about grain? I am. I am not talking about mill feed, I am talking about grain bought from the elevators.

Mr. Gardiner: Now, just listen to the answer then you may say whatever you want to say afterwards. It is not true that grain needs to cost anybody three times as much on the west side of the mountains as the farmers get for it on the prairies.

Mr. Fulton: That is not what I said; I knew the minister was going to mislead. Why does the minister not understand the question?

Mr. Gardiner: I understand the question, and I understand a little about farming too.

Mr. Fulton: So do I.

Mr. Gardiner: The fact is that there have been cases stated here and I think that is perhaps what my hon. friend had in his mind, that it has been stated here—I am not sure whether or not it was the hon. member for Kamloops or someone else—that someone wrote a letter—

Mr. Fulton: Are you answering my question or someone else's?

Mr. Gardiner: I am going to answer your question. I intend to indicate to you why somebody else should have to pay a certain amount more. It has been indicated in a letter that some farmer on the prairies sold grain to another farmer at 60 cents a bushel.

Mr. Fulton: I am not referring to that. I thought you were going to answer my question.

Mr. Gardiner: I am saying it was stated here, and that is what I answered, and that is what you mean when you say $20 a ton, that one farmer was selling wheat to another at 60 cents a bushel. Well, I quite agree that it may cost somebody on the other side of the mountain $1.80 and that would be three times as much. But it is not necessary for the farmer at Kamloops or anywhere else to pay three times as much for grain as the farmer on the prairie gets for it because of anything done here, he pays the price of the grain plus the freight to ship it over there. This policy provides that part of that freight is paid by the government. The only difference the farmer really needs to pay is his part of the freight. If he pays anything more he pays it because he does not want to grind the grain himself or he does not want

to take it to someone else and let him grind it for a fee. He wants the privilege of going and buying feed in fancy bags in which feed is put up and which, in many cases, has something else mixed with it. Then, when he does that, after there has been so much done with the grain, he cannot compare that price with the price the farmer gets on the other side of the mountain and say he pays three times as much as the farmer gets.

Mr. Fulton: The minister has not answered my question. I am glad he has answered someone else's, if he has. My point was that the farmer on the prairie, and this is capable of proof, the cattle raiser on the prairie can go to his neighbour and get grain for between $20 and $25 a ton; that is not sold through the board, but it is what the cattle raiser on the prairie pays to his neighbour, the grain grower. The cattle producers' association in British Columbia buy their grain through the wheat board so they can get the feed grain assistance, and they find it costs them something more, somewhere between $60 and $65 a ton landed at William's lake in this case and that is somewhere between two and three times as much as the cattle grower on the prairies has to pay for his grain to feed his cattle.

Mr. Gardiner: Irrespective of what you say, it is not correct in other than a few cases where it was sold on the prairie at 60 cents a bushel.

Mr. Fulton: I know one is restrained here by the parliamentary rules—

Mr. Knowles: Not the minister.

Mr. Fulton: —but I tell the minister that he is stating what is not correct.

Mr. Gardiner: Then, we are equal on that.

Mr. Fulton: They have been submitted to the minister by myself in a letter and submitted to the Minister of Trade and Commerce and they have been discussed by me with the officials of the Department of Trade and Commerce and they have never been questioned before. The minister is questioning them here because he knows he is backed into a corner that he cannot get out of and therefore he makes a statement which he knows to be incorrect.

Mr. Gardiner: My hon. friend—

Mr. Fulton: The problem will obviously—

Mr. Gardiner: My hon. friend has apparently—

Mr. Fulton: Just one second—

Mr. Gardiner: —got the habit from—

Mr. Fulton: I did not interfere when the minister had the floor. It is quite obvious this problem will not be dealt with because the government is not capable of providing a solution, but they might have the grace to admit that they do not have a solution instead of trying to deal with it by falsifying the record.

Mr. Gardiner: My hon. friend could get away with that kind of talk in the Conservative convention but he should not be allowed to get away with it here. I listened to him on the television and that is the kind of speech he made there. The facts are that there is not anything in this provision for freight rates that has anything to do with the question he is discussing. The fact is that it does not make any difference who ships the grain or how it is shipped, in so far as the provisions in the freight rate assistance legislation are concerned part of the freight is paid. My hon. friend suggested in his last few remarks that it was done because it was done through the wheat board. It is not done because it is done through the wheat board. As a matter of fact, most of the feed grain was not shipped through the wheat board at all when this policy was set up. The grain could be shipped from one place to another and no matter how it was shipped, so long as it could be proven it was for feeding on the farms, freight assistance was paid. That is still the case. Any of the other matters that are being talked about are not provided for under this provision at all; they are provided for under the Canadian Wheat Board Act. And that is done in order to see to it that the prairie farmer does get the money that is paid for the grain no matter where the grain is sold; whether it is sold in Europe, in eastern Canada or over the mountains, the act is set up in such a manner as to make it possible for the farmer to get the initial payment and then to make certain that he gets all the money that is taken into the pool by selling the grain. That is all that is involved in it. All these other matters have to do with things which can be controlled within the provinces. If wheat has been sold at these prices in Alberta, it should not be sold at these prices, and there is nobody who can stop it except the provincial governments. If on the other side of the mountains grain is being sold for more than it is entitled to be sold for after it has been handled by merchants in the province, then that is something that could be dealt with, but I doubt very much the statement that the result is that you are paying three times as much for grain. Maybe you are paying for services. I doubt whether you are paying

three times as much for grain in British Columbia as one farmer can get it for from another under the price system as we have it on this side of the mountains unless one person is taking advantage of another.

Mr. Fulton: Does the minister not know perfectly well that you cannot get freight assistance on grain bought direct by a farmer in British Columbia from a farmer in Alberta?

Mr. Gardiner: No, I do not know any such thing. I do know that under the Canadian Wheat Board Act you cannot ship it that way.

Mr. Fulton: You cannot ship it out. Does the minister not know, therefore, that you cannot get freight assistance because you cannot ship it?

Mr. Gardiner: You cannot get the grain, that is all. It is not a matter of getting freight assistance.

Mr. Fulton: Therefore, the only way you can get the grain is to buy it through the board and by buying it through the board it costs you between $55 and $65 a ton landed. The farmer on the prairies can buy the same grain from his neighbour for between $20 and $25 a ton. Does it not cost the British Columbia farmer three times as much?

Mr. Gardiner: It does not cost him anything more at all; except transportation and handling charges, it does not cost three times as much. My hon. friend can figure it out for himself. In his figures he is dealing with the initial payment or a farm to farm transaction which is not usual in the first instance and with the final payment in the second.

Mr. Fulton: I am dealing with the landed cost of the grain and I am certainly under the impression that 60 is three times 20. If it costs my farmer $60 a ton landed it costs him three times as much as it costs the prairie farmer who can buy it for $20 a ton from his neighbour.

Mr. Gardiner: Well, if the freight rate makes up the difference that would be right, but I doubt whether it is, as a matter of fact I know it does not.

Mr. Fulton: What I am pointing out is that the policy of the government is one thing which compels the feeder in British Columbia who wants to buy grain from the prairies to buy it from the board on a basis which costs him between $55 and $65 a ton for landing it; whereas it costs the farmer on the prairies feeding it to cattle somewhere between $20 and $25 a ton. By paying the $65 rate is the only way that my farmer can get the grain from the prairie. Therefore, it is costing him three times as much. Unless you do something about the freight assistance on the one hand, or allow him to buy grain direct on the other, he is going to continue in that competitive position and the minister cannot deny these facts. They were brought to his attention last year and he apparently was not prepared to do anything about them but he cannot deny they are facts.

Mr. Pickersgill: You are talking about bootleg prices.

Mr. Fulton: I am not talking about bootleg prices.

Mr. Pickersgill: Yes, you are.

Mr. Gardiner: As a matter of fact you are talking about something that scarcely ever happens.

Mr. Fulton: We have another farmer here today.

Mr. Pickersgill: I have had a lot more to do with farming than you have.

Mr. Fulton: The Minister of Citizenship and Immigration can ask the officials of the wheat board in this city and the officials of the Department of Trade and Commerce whether it is not a fact that these purchases are made on the prairies. They have no objection to the purchases and they have no desire to stop them.

Mr. Pickersgill: It has no jurisdiction over them.

Mr. Fulton: How is it a bootleg price, then?

Mr. Harris: I wonder whether I can bring the discussion back to the item under consideration. We are dealing with contributions for feed grain, subsidies on freight rates paid on feed grain, and whether or not there is any merit in the figures presented by my hon. friend, I think he will agree that he is arguing about a policy in connection with the wheat board that really does not affect this particular item.

Mr. Fulton: It certainly does affect the cost of the grain.

Mr. Harris: I am coming to that in a moment.

Mr. Fulton: You should increase this item to take care of your policy.

Mr. Harris: The item has to do with contributions to the cost of transporting the feed grain, regardless of the cost of it. The cost of transporting feed grain from the prairies is $11 odd a ton. This is a contribution based on that and not on the cost of the goods

when sold or delivered in British Columbia. Therefore, I hope we can postpone the discussion on whether the cost in British Columbia because of the wheat board is so many dollars or so many other dollars until the wheat board might be under discussion in the house. If we can agree on that we can probably get this item through before the noon adjournment, unless there are some other questions I have not answered.

Mr. Quelch: So much has been said about lower prices that some farmers in Alberta get for their wheat that it should be clarified. It is truly a deplorable state of affairs that many farmers in Alberta have sold wheat at 60 cents to 65 cents a bushel. The solution does not lie in the minister's suggestion that the provincial governments should deal with it. The solution is in the federal government making advances to grain stored on the farms so that the farmers will not be forced to sell their grain for 60 cents to 65 cents a bushel.

The Deputy Chairman: Shall the resolution carry?

Mr. Charlton: No, Mr. Chairman.

Some hon. Members: One o'clock.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Hahn: The Minister of Agriculture in indicating that feed grain could be brought from the Peace river country to the lower mainland of British Columbia said that there was no subsidy allowed on this. I am wondering whether that applies should the grain be hauled by rail through the normal channels to the Pacific coast. Is the feed freight subsidy paid in such instances?

Mr. Harris: I am afraid I do not understand my hon. friend's geography. Would he repeat his question?

Mr. Hahn: To carry grain from the Peace river section of British Columbia, or Alberta for that matter, to the Pacific coast it must be channelled along the Northern Alberta Railway line through Edmonton and by Canadian National Railways down to Vancouver. Does this make such shipments subject to the regulations of the wheat board and therefore entitled to a subsidy?

Mr. Harris: Well, Mr. Chairman, I could not answer the question directly by saying yes or no. It would seem to me that the practice in paying is on the basis of a voucher presented by the dealer who has bought the grain for delivery to himself. That voucher would have to show the point of origin of the grain and if it were in the same province I presume the policy would be not to pay it. Whether by being transported to another province it would receive the advantage of the subsidy is a question which I must say has never been asked me before and I am not ready to answer it now but I will see if there is any difference and advise the hon. member.

Mr. Hahn: I observe that the parliamentary assistant to the Minister of Agriculture is present. Perhaps he could give us the answer to that question which is a matter of some importance in our area.

The Chairman: The hon. member for Roberval.

Mr. Hahn: Before we leave that point I would like to know if the parliamentary assistant to the Minister of Agriculture is prepared to indicate whether the subsidy is paid on grain coming from the British Columbia Peace river area into the lower mainland of British Columbia when it is carried by the normal channels of freight through the province of Alberta.

Mr. McCubbin: Mr. Chairman, I would have to take the hon. member's question as notice, but I can assure him that he will receive an answer to his question.

(*Translation*):

Mr. Villeneuve: Mr. Chairman, I wish to say a few words about item No. 538, whereby we are asked to vote an extra $2 million for assistance to western feed grain transport. My purpose will be to point out the benefits derived from the act authorizing that assistance, particularly as it concerns Quebec farmers and feeders.

As is known, that assistance dates from October, 1941, and involves the payment by the federal government of a substantial part of the freight costs of grain shipped from the Fort William elevators eastward, notably to Montreal and Saint John, N.B., with additional compensations for other intermediate marketing centres.

Quebec farmers count on western grain. In fact 75 per cent of the feed grain consumed in that province comes from the prairies. That means that more than a million tons of grain are brought each year from the west to Quebec. I hope that hon. members from

the prairies are grateful for this Quebec patronage of grain producers in western Canada.

The high cost of these grains at the shipping point and the equally high cost of transportation have become a problem for Quebec farmers and cattle producers because of the rise in the operating costs of their farms and of the low selling price of their products.

Since October, 1941, the federal government has paid the not inconsiderable amount of $102 million in subsidies for the transportation of this grain from Fort William to the various selling points in the province of Quebec, the amount shipped as of December 1, 1956 being 15,633,000 tons. The average subsidy per ton has been $6.52 between 1941 and 1953 and since 1953, $7.98 per ton.

Quebec farmers and cattle breeders have therefore benefited from an average annual subsidy of $7,259,100, according to the terms of this useful piece of legislation.

It is estimated that it takes 1,000 pounds, that is half a ton of feed, to get an average hog ready for slaughtering. It therefore means that our farmers have received an average of about $4 per hog under the freight subsidy on feed grain. Without that subsidy which brings more than seven million dollars to Quebec, and without the premiums on quality, which bring an average of $1,226,100 a year to the farmers and breeders of Quebec, this kind of breeding would have come to an end long ago, in my opinion. So the Quebec farmers are in a position to appreciate the generosity of the federal government.

I am therefore pleased, as the representative of the farmers of Roberval constituency, to congratulate the federal government on its policy with regard to grain transport and I ask them to maintain and, if possible, to increase that subsidy to the greatest benefit of our farmers who are now going through difficult times.

The farmers of my constituency, as a result of the poor crop in 1956, will have to apply outside for seed grain, and I know that this legislation providing assistance to the transportation of grain will help them indirectly to face that new ordeal.

(*Text*):

Mr. Charlton: We were glad to hear the Minister of Finance assure us this morning that everything that appears in the estimates for the coming year will be spent. I can recall several instances where items have appeared and were not spent but held over for another year and so I was happy to receive the assurance of the minister that such will not be the case this year.

Mr. Harris: Only if we get around to passing it, you know.

Mr. Charlton: The item will be passed, never fear. The thing we are concerned about ensuring is that the department will not change its mind about it in the meantime and cancel or reduce the appropriation.

I should like to ask the minister one question with reference to the matter raised by the hon. member for Saskatoon. Is any consideration given as to the quality of the feed on which the subsidy is paid?

Mr. Harris: I think the hon. member for Saskatoon and my friend the hon. member for Brant-Haldimand are quite aware of the fact that the subsidy is paid on grain and not on feed and that it is not the content of the feed which the farmer buys which gains the subsidy but the grain that goes into the feed.

Mr. Charlton: What I am getting at, Mr. Chairman, is the matter that was raised by the hon. member for Saskatoon. Is the subsidy paid on grain that contains 90 per cent weed seeds?

Mr. Harris: I could not answer that question because of the details involved but I will certainly find out if there are any, shall I say, lower grades of grain which are rejected for the purposes of this subsidy.

Mr. Cardiff: Would the minister tell us what is done with the dirt and seeds that are removed from the grain at the lakehead?

Mr. Harris: Well, I am afraid there is a little too much noise. Would my hon. friend repeat his question?

Mr. Cardiff: I wonder if the minister could tell us what is done with the weed seeds that are removed from the grain at the lakehead in the cleaning process.

Mr. Harris: No, I could not tell you at the moment but I will find out what is done with them and advise the committee.

Mr. Bryson: Mr. Chairman, I rise to ask for a little clarification on one of the statements made before lunch by the minister. I gathered from his remarks that it is now possible for a producer of feed grain to make a deal with a feeder and that some transaction could take place between the feeder and the producer through the Canadian wheat board. You will recall that last year we had a similar discussion in which I asked the very same question. While the minister went on at great length and invaded every creek and inlet, still he gave the impression

that it was not quite possible that that could be done. I should like a little clarification on that point. At the same time he admitted that possibly something could be done and the Minister of Finance said that the problem would continue to receive consideration. Perhaps the minister would give a little clarification on what he said this morning. I think there have been things said here this morning which should have been said on previous occasions in connection with this piece of legislation which is before us.

While I did not hear all of the remarks made by the member for Cape Breton South, from what I did hear I think he and I are in substantial agreement. I am quite prepared to say that the people of Canada should subsidize the movement of feed grain to eastern Canada or elsewhere for the purpose of providing feed for dairy cattle and poultry, but it seems to me it is very questionable if it is economically reasonable to expect that we should take grain for cattle from one part of the country to a far distant part, thereby penalizing not only the people of Canada by paying subsidies on grain moved but also in the final analysis to some extent penalizing the consumers who consume the finished product. It seems to me the reasonable thing to do would be to feed the cattle where they are raised. It seems to me that that is the most economical way to carry on.

Therefore I am not opposed to these subsidies but I think that we should give some consideration to spending some of the money for the benefit of the consumers and the people of the country in general. I should like to have a statement from the minister in respect to the proposition that a producer and a feeder can enter into an agreement with the Canadian wheat board to make a transfer of grain from one to the other.

Mr. Harris: I agree with my hon. friend when he says that some of the things which were said this morning should have been said on another occasion; that is, of course, on the main estimates. It has not been the custom on the supplementary estimates to go into the whole question in detail although there may be questions of some importance which should be answered at that time. Therefore I do not think I should try to clarify the explanation made by the Minister of Agriculture this morning. I do, however, think I can put my finger on what has been understood by anyone who deals through the Canadian wheat board. I think theoretically it would be possible for a producer to make a contract with a consumer for the sale of grain for the purpose of the subsidy; but the transportation of feed grain over the provincial boundary brings it within the jurisdiction of the Canadian wheat board and the trouble is that the sale must be by the farmer of his own grain and it is very difficult to make any arrangement through the wheat board which would continue identification of the grain as it passes through the wheat board's control. I think that is the practical difficulty. I hope that if members think this difficulty can be overcome they will discuss it on the main items of the estimates.

Item agreed to.

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

A—Department—

Immigration branch—

539. To provide, subject to the approval of treasury board, for transoceanic, inland transportation and other assistance for immigrants and settlers—Further amount required, including authority to make advances, notwithstanding the Financial Administration Act, to the intergovernmental committee for European migration for the cost of transportation and other assistance with respect to Hungarian refugees coming to Canada, and to the provinces for the cost of caring for such refugees, $9,000,000.

Mr. Pickersgill: Mr. Chairman, I do not think I should ask this house to accept this item without giving a brief explanation, not only as to what is being asked for but also what is being done as a result of the policies which received almost universal approval in the house at the special session in November.

As hon. members will recall, the day after the session was prorogued I left for Vienna. I arrived in Vienna on the following day and remained there for three days. In spite of the fact that one or two newspapers in this country questioned whether it was necessary or even useful for me to make that journey, I think that if we intended to carry on the policy which was explained and approved here in parliament it was a good thing for me to have done, because it was possible to decide on the spot certain things which would have been difficult for officials to decide on the spot, which would have required a great deal of communication and clarification for someone who was a long distance away. One of the things which was in my mind and which I thought might cause difficulty before I went to Austria was that we might not have enough real estate to deal adequately with the problem. I had on one or two occasions impressed this point on my officials.

Mr. Nicholson: Real estate?

Mr. Pickersgill: I said real estate and I meant real estate, premises in which people could sit down while waiting for applications to be dealt with. Our office in Vienna is, as are all our offices, maintained as

economically as possible. This office happens to be on the fourth or fifth floor, or on both floors of an office building in Vienna in which there is a small lift which will carry about two people and a stairway going around the lift, which is fine if you have six or seven people going into a building in an hour. On the Monday morning after I arrived in Vienna there were over 100 people at the door of that building, I was informed, at five o'clock in the morning; I was not there but I was told. At the time I was finishing my breakfast at the hotel, at about nine o'clock, the manager of our office came to see me and said, I do not think that you ought to make your visit to the office for a while yet because it is impossible to get into the building, the stairways are jammed, the lift is jammed and it is impossible to move.

I said that this was really exactly what I expected. I felt that the real problem would not be a lack of personnel and probably not even a lack of doctors nor a lack of transport to bring the people to Canada, but that the real problem would be a lack of space in which to deal with applicants. I said that I thought there was every reason why I should go at once to examine the situation. In the meantime the police had persuaded the people to move back so that it was possible to enter the building. We immediately got in touch by telephone with someone who had a dance hall or a similar building a few miles away which had been used by a shipping company to make arrangements for the transport of a group of Hungarians who were coming to Canada later. I said that this place should be rented for the rest of the month. We finally managed to get hold of somebody who had some authority over the place and told him we were coming along in a car to take over and that we would discuss the rent afterwards. By 11.30 our officials were actually processing people in that building, having hired two or three buses to bring them a couple of miles across the town from the regular office to this place.

The same difficulties occurred with respect to having a staging point where these people could wait until transport was available to bring them to Canada. There was also the problem of getting shipping space. We had an airlift which of course was very helpful in getting some people moving quickly, but to move any large numbers it was obviously preferable to have shipping. Mr. Jacobsen from the inter-governmental committee on European migration came to Vienna and met me at noon on that Monday and we made arrangements right there and then for enough ships for about 5,000 Hungarians.

[Mr. Pickersgill.]

During the course of the morning, just before lunch, I had seen the Austrian minister of the interior for half an hour and had sought to impress upon him the importance of making one camp available in Austria for people who were coming to Canada so that they could be kept together, and so that they would be available, and we would know where they were when the transport was available. Of course, this camp was not to have been run by the Canadian government and it was not even originally thought that it would be operated by Canadians at all. It was to be under the general charge of ICEM, if I may abbreviate the rather long name of that organization, and we were told the barracks at Wiener Neustadt might be made available. Incidentally, I understand these were the barracks where Marshal Tito many years ago did his military training when he was in the army of the Austrian empire.

This place had been left rather a shambles by the Russians. I insisted on going out to see it. I had been told that it was all ready to receive people, that it had beds, mattresses, a kitchen and other essentials. Well, there were a few beds and a few straw mattresses. There were no windows and there was no heating. I had been told there was a kitchen but nobody could find the key to the door. It was pretty clear that it would take quite a lot of elementary rehabilitation before people could be put in it at all in very cold weather, and it was cold. We did get things in train to get that done and it was occupied about ten days later.

It did not seem to me, after that, that there was much more I could usefully do in Vienna; because my experience is that ministers are all very well in their way, but once questions of policy are settled it is very much better to leave the officials alone to get on with the work instead of remaining under foot.

Mr. Knowles: Better for the minister to get out of the way.

Mr. Pickersgill: Well, I got out of the way.

This story has been told before in other places, but I think I should like to place it on *Hansard*. When I arrived in Vienna on Saturday afternoon, one of the first things I was told was that there was a faculty of forestry of one of the Hungarian universities which had come in toto across the boundary into Austria and that the dean of the faculty had approached our ambassador a day or two before to discuss with him the possibility of their coming to Canada. I must say that this rather fired my imagination, and during the evening while I was dining with the Austrian foreign minister I kept thinking of

this faculty and how it could be dealt with and dealt with expeditiously.

Finally, late that evening I sent a telegram to my colleague, the Minister of Fisheries, and a telegram to my wife asking my wife to telephone me at an hour which was about the equivalent of seven o'clock in Vienna and the minister a couple of hours later.

Mr. Sinclair: You might point out I was in Vancouver.

Mr. Pickersgill: The Minister of Fisheries was in Vancouver and that was why I felt I ought to get in touch with my wife because I could get in touch with her at a much earlier hour than I could get through to the Minister of Fisheries on account of the three-hour difference in time. It is quite complicated when you are telephoning between Vienna and Vancouver. By the most extraordinary coincidence—it is a coincidence if you are using the trans-Atlantic telephone service—my wife did call me at seven o'clock on Sunday evening. I suggested to her that she get in touch with the Minister of Fisheries in Vancouver and ask him if he could not make arrangements to have this faculty moved to British Columbia and affiliated with the university and make provision for shelter for them there and let me know before midnight. And he did that. I do not think that sort of thing has been done very often.

I may say that on Sunday evening last these professors and students passed through Ottawa. I believe they are now in Abbotsford and that their next stage is to go to Powell River where they are to set up housekeeping for a while and learn English.

When I had felt that I had done everything I reasonably could in Vienna I left by motor car about eight o'clock in the evening and drove about 200 miles into western Austria. I slept in a small hotel and next morning went on to the place where these students were. I put to them the offer that my colleague had passed to me the day before and after a good deal of discussion back and forth during which I tried to explain the virtues of British Columbia—

Mr. Sinclair: Easy.

Mr. Pickersgill: —and some of the advantages there would be for them and for us I went away with their acceptance of the offer. I also discovered when I got to this place near Salzburg where they were staying that there were in addition somewhere between 100 and 150 other university students, students of mining engineering, oil engineering, geology and various other sciences, and several professors, who also expressed interest in coming to Canada. They expressed a desire to be together in Canada and I told them I would endeavour to find some place where they could go and be together. I could make no promise but I told them I would see what I could do. I said that I did not think it would be reasonable to suggest that they should also go to British Columbia and that I thought it would be to some other place.

As soon as I could do so, I got in touch with my colleague, the parliamentary assistant to the Minister of National Defence, (Mr. Hellyer) and arranged with him to have one of these students go to Toronto. I may say that my hon. friend put him up in his own house and looked after him for about two weeks so that he might look around and see what might be possible. The hon. gentleman got in touch with the president of the University of Toronto. He also got in touch with a number of prominent businessmen in Toronto, and a very generous offer was made for the reception of these professors and students.

Meanwhile I had also communicated with the chancellor of my own university, the University of Manitoba, about these students at a time when I was not quite sure where they might go. When I arrived in Paris a few days later I had a telephone call from Mr. Sifton and the premier of Manitoba, who were together. They had thought that this group represented a complete faculty and they made a most generous offer, for which I personally shall always be grateful, and of which I shall always be proud, to bring this group of students and professors to Manitoba and look after them completely for a certain period.

In the meantime news reports about this group of students had got out in Canada and we also had offers from Ottawa University, Laval University and several other places where there were not actually universities but where people hoped that this group of students might be the nucleus for something. All these offers did pose a bit of a problem. The young student who had come here as the spokesman of the students visited the various universities. I felt the only way to do was to have him visit the universities, compare the offers and communicate with the other students, and the decision they finally made was to go to Toronto. I may say that this group of students has either arrived in Toronto or will arrive there before the end of the day.

An hon. Member: They arrived this morning.

Mr. Pickersgill: I should like to add, though I am breaking my narrative by saying this,

that there are also a good number of other students in Vienna, and elsewhere in Austria, who are seeking to come to Canada or the United States in order to complete their studies, and there are at the present time about 100 of them in Montreal. The national conference of Canadian universities has set up a committee to review the qualifications of these students and to examine all the offers of assistance which have been received, in the hope, as far as possible, of finding offers of assistance that will fit with the qualifications of the persons concerned, with a view to having them placed in various universities throughout the country. I do not know whether the number of offers received is as yet equal to the number of students who are in Canada. That is one reason why I felt I would like to say something here about the situation, in the hope that my words might go beyond this chamber and perhaps might not, in all cases, fall on entirely deaf ears. It does seem to me that in the light of all the concern that was being expressed in this country only a few short months ago as a result of that very interesting conference at St. Andrews, it would be a very unfortunate thing if we in Canada missed the opportunity of getting young people who are almost completely trained—people who have only to learn one of the official languages of this country and who, because most of them are quite bright, could probably do that in a few months by modern intensive methods. It would, as I say, be a pity if we did not allow ourselves to take advantage of this opportunity to enrich our country.

Now, Mr. Chairman, I will return to my narrative and shall try to make it brief.

I had announced, of course, at the very beginning of this movement of Hungarian refugees, that all our offices in Europe would give priority to applications from these people. After I had seen what I did see in Vienna—the fact that at the time I was there there were 70,000 of these refugees still in Austria, and that the numbers entering every day were at least equal to the numbers taken away—it seemed to me that we should not take refugees, except sponsored cases, from any of the countries of secondary refuge while the problem in Austria was so acute. I felt it would be desirable to see what the situation was in the offices in the neighbouring countries, and I wanted, moreover—though this is not strictly relevant to the present discussion—to see what the prospects were in these countries for immigration this year.

I found in Germany that the German government had set no limit on the number of refugees they were willing to take, but they were having difficulty in finding accommodation for them. However, they did want to keep them all because they have an acute shortage of labour. In these circumstances I gave instructions that no visas were to be issued except to those refugees who had Canadian sponsors who were prepared to look after them.

In Holland, where I went next, I found that the government of The Netherlands had agreed to take 3,000 and keep them in the country, and they did not want these people disturbed. But they did feel that they had room to give temporary refuge to 2,000 more, and they had apparently made some representations to Ottawa, as well as to Washington and Canberra about this situation. I had thought of the same idea as appeared to be in their minds while I was at Bonn the night before, and when I proposed this plan to the Dutch minister he said: "We have already suggested that to your government." We had some discussion during the afternoon and then he came to dine at the embassy. I was able to get my colleague, the Minister of Finance on the telephone, and we agreed it would be quite within the terms of reference under which I was acting if I undertook to move to Canada between the 1st of March and midsummer at least 3,000 from Holland. The Dutch came to the conclusion that they could only find shelter for 2,000, and we made an arrangement under which that number of people are being moved to Holland now. The first 500 have already arrived in Holland. These 2,000 will begin coming to Canada in Dutch ships in small numbers after the 1st of March and until the end of June.

This arrangement seems to me to have the great advantage of getting 2,000 more people out of Austria reasonably quickly and also of keeping them in Europe during the winter when, as I do not need to remind any hon. member, it is very difficult for us to accommodate large numbers of new people in Canada.

I next went to Belgium, where I found that the situation was somewhat similar to the situation in Germany. They were not able to take an unlimited number of refugees, but they wanted to keep those they had. They had employment for them. The decision we took in this case, therefore, was that from then on we would accept only sponsored cases.

When I got to Paris I found that the situation in France was really very difficult. I think that, perhaps, hon. members may be interested to know why. The French, with the characteristic generosity in humanitarian matters which that country has always shown, had agreed to accept Hungarian refugees

without any limit as to numbers, and about 8,000 or 9,000 of them had already arrived in France. The only places in which they could be lodged quickly were military barracks, and any hon. member who has had experience of French barracks knows there are more hospitable places in the world than the average caserne. Some of these barracks were also occupied by French troops; there were sentries on duty, and some of the refugees got the impression that they had left one prison in Budapest to go to another prison in France. This impression was intensified by the most unfortunate kind of communist propaganda, so much so that when I met the minister of the interior, under whose department these people are being cared for, he asked me to get Canadians to visit these camps to tell the people there that France was not a communist country; that it was not a "people's democracy" but a real democracy. The French wanted these people to stay, and wanted them to work, but would have no objection to their going away to any other country if that country would take them. He asked me to accept some immediately as a token of the truth of this.

Well, under the policy of priority I have enunciated earlier we had agreed to take a certain number of them, and I naturally did not countermand anything that had been done; but I explained that I did not really think it would be proper to take refugees from France, a country which was able to look after them, while leaving such a great burden on Austria. I felt the best we could do would be to send our officials round as quickly as possible, and indicate that we would come later with teams and give people visas that would be valid after April 1. By that time, it seemed to me, we would be able to absorb them in Canada: by that time, also, we hoped there would be a clarification of the situation in Austria. In any event the problem in Austria itself would not be so great during the summer months. This was very acceptable to the French government, and we agreed to take up to 3,000 providing the French would take a corresponding number from Austria in the interval, and that policy is now being worked out.

When I reached England I found that the situation was not quite as bad as in France, but it was very nearly so. Britain had had to suspend the actual movement of refugees because there were no places readily available for accommodation. The British government and people had made a magnificent effort; they had moved 12,000 people to the United Kingdom, 6,000 of them in about three days by a really drastic airlift which was going on while I was actually in Vienna. But they were finding a lot of difficulty of one kind or another in that many of these people claimed they had been promised they could go to the United States or Canada. They were very disappointed when they found they were still in Europe. I recall particularly hearing of one group who were taken to Scotland—I am sure the hon. member for Greenwood would be interested in this—and when they asked where they were they were shown Scotland on the map. They said Oh, this is too close to Russia; we want to get across the Atlantic at once.

In any event, our high commissioner had been approached by the British government to ascertain if we would start taking some of these people to Canada right away. We arranged a meeting with the people who were actually looking after the refugees—they were voluntary agencies exclusively—and with the home office which had official charge of them. While I was not able to conclude an agreement while I was there I did make an offer which was accepted a day or two after I returned to Canada. Our offer was to take 5,000 from the United Kingdom after April 1 on the understanding that the British would, as quickly as possible, resume taking refugees from Austria and would take a corresponding number. This understanding was arrived at in good faith and I am sure will be carried out by both sides.

While I was abroad I had arranged for the transportation to Canada, between the time I was there and the end of January, of 9,000 to 10,000 Hungarian refugees. I felt that it would not be prudent or sensible for me to go beyond that until I returned to Ottawa and found out the response that was being made and how things were being organized or until I had an opportunity to consult with my colleagues and determined what they felt would be a reasonable flow to maintain during the winter months. As soon as possible after my return to Ottawa I consulted my colleagues and I recommended that we should make immediate arrangements for another 2,000 to come by sea in February and for the maintenance of the Maritime Central flights. This was the only Canadian company that was willing to continue these flights beyond January 1 because both T.C.A. and C.P.A. had other commitments for which their aircraft would be required. It was understood also that, as soon as we had some experience as to how these people were going to be placed and how we could distribute them throughout the country, we would consider taking more.

It began to appear to me early in January, while I was still recovering from the effect of having had a chip taken off my shoulder in the hospital, that we could quite easily

take another 1,000 people by sea in late January and February, so another thousand was added to the number. More recently my colleagues authorized me to go ahead and make arrangements for another 2,000 to come to Canada in March. I should say that in addition to these numbers there are always a certain number of sponsored cases that are being handled in small numbers by ordinary airlines and by ordinary sea passages which, week after week, do mount up to something. Our best estimate at the moment is that we will have more than 15,000 Hungarian refugees in Canada by the end of February, and that we will have between 2,000 and 3,000 more coming in March. Then, we will still have these 10,000 that are being staged in the three countries I have mentioned.

This does not mean at all that we are going to stop taking people from Austria after March. Our position is, as it has been throughout in this matter, that we intend to take these people as long as they want to come here and it looks as though we can find accommodation for them and, in a reasonable time, find work for them. We are going to take them as rapidly as we think they can be reasonably readily absorbed. I think it would be imprudent to try to make hard and fast arrangements too far in advance. We do intend to follow that course.

I should like to indicate very briefly, if I am not taking up too much of the time of the committee, sir, what the proportion of those coming to Canada is compared with the overall situation so far as Hungarian refugees are concerned.

The Chairman: Perhaps I might take the opportunity provided at this moment to advise the minister that his time has expired.

Some hon. Members: Go ahead.

The Chairman: Has the minister leave to continue?

Mr. Fulton: I will say a word and then the minister can continue.

Mr. Pickersgill: I thank the hon. member for Kamloops. I shall try not to exceed my time again, sir. There have been approximately 170,000—I should like hon. members just to consider that figure for a moment—about half of the population of metropolitan Ottawa, of these Hungarian refugees enter Austria since November 4. They have entered a country of between six million and seven million people, a poor country and a country that had very little surplus accommodation. About 100,000 of these refugees have left Austria for other countries. The largest single group has gone to the United States. There have been, as I think hon. members probably know, 6,500 admitted to the United States as immigrants and 15,000 admitted as parolees. Do not ask me to explain what a parolee is because I am not an expert on United States immigration matters. I sincerely hope, and I am inclined to believe, that the United States is going to take more. But up to now, that is what they have done, and that is not as large a number as we are definitely committed to take. We are committed to take over 25,000 already.

I should think that next after the United States would be the British, and they have taken about 12,000. This will be about the total number they will take unless there is some big change in policy, because what they are taking from now on is merely a matter of substitution. The French and the Germans have still put no upper limit on the number they will take. About 10,000 have gone to France and about 10,000 to Germany. Other countries have taken a considerably smaller number. At the moment the only country that is taking any considerable number of people out of Austria is Canada, either by direct movement to Canada or indirectly. Measured in terms of numbers, therefore, we have committed ourselves already to take between 1/6 and 1/7 of those who have come into Austria.

In terms of the monetary commitments that we have made so far in connection with this matter, assuming that the house agrees to this estimate, we will have spent proportionately very much more than any other country, including the United States; not absolutely, but proportionately more. I believe it is necessary to say these things, not because I want to suggest we have done too much or that we have done all we could or should do, but I would suggest that if we are going to view this problem in anything like its proper proportions it is only fair to the Canadian taxpayers who are paying for this movement that they should know what they are getting and what they are paying.

I should now like to say a word or two about something which is really a good deal more relevant to the estimate here, and that is the problem of settlement. We have had the most magnificent co-operation from voluntary organizations all over this country and I cannot speak too highly of them. There have been times when I think all of us have felt, everybody connected with the movement, that there could be and should be a little more co-ordination, but I have taken the view that it is not the proper function of the immigration department to try to organize that co-ordination on a national basis. The problems of settlement are local

problems all over the country and much better results will be obtained through proper local initiatives. We have tried to co-operate with everybody who is willing to help. We have tried to make every suggestion we could about the most effective way of organizing that co-operation but we have not tried to run the show. We have tried to fit our activities into the voluntary activities. I think that is the right way to do it.

One or two misconceptions have arisen as a result of an agreement we made with the government of Saskatchewan, which was made by my colleague, the Minister of Finance, who was acting for me while I was abroad and for which we are very grateful to the government of Saskatchewan. It was a businesslike arrangement made in a businesslike way. Under that arrangement we did agree to pay to the government of Saskatchewan $3 a day for each of the refugees while they were in the provincial reception centres. Because of this, and because we have agreed to do something similar in other provinces where reception centres are set up, if they are needed, I am told that a misconception has arisen in certain parts of this country which I should like to clear up now, namely, that every Hungarian gets $3 a day as soon as he comes to the country. I am told there are places where that is widely believed.

Well, it is not true at all; they are not getting anything. The money is paid to the provincial government, or to whoever is operating the reception centre, for the services rendered in that centre. And where we provide subsistence, as we do for Hungarians, like other immigrants who cannot support themselves in the first year in the country, we do not pay money to the immigrant receiving the subsistence, we pay the bills and we do not pay $3 a day. We get it done just as cheaply as we can get it done respectably, and will continue to do so. In fact, nothing is being done for the Hungarian refugees that is not done for other immigrants once they land in Canada. It is true that they get their way paid to the place where they come to settle. That is the only respect in which they are given treatment different from that of any other immigrants.

Another misconception that has arisen, and it was given a good deal of unnecessary currency, I think, by one or two people whose activities seemed to me to be almost mischievous—was that we were giving to those refugees free health care which was being denied to Canadians.

Mr. Gillis: That is true.

Mr. Pickersgill: Well, it is not true at all.

Mr. Gillis: For one year.

Mr. Pickersgill: No, it is not true for one year. The hon. member for Cape Breton South is not aware of the real facts. Hungarians and other immigrants are treated in the same way as Canadians are; if they are indigents they do not go without treatment. But if they have an income they pay their bills like anybody else, and that is the situation. We do not go around looking for bills to pay, either.

I do not think it would be the sense of this house, or the sense of the country, that we should treat immigrants better than we treat our own people. I do not think it would be the sense of the house or the sense of the country that they should be treated worse. These are people who have come—and I am not referring here specifically to Hungarian refugees but to immigrants generally—to this country and whom we have accepted, and given a landing to, on the assumption that they are going eventually to become fellow citizens of ours. I think the sooner we treat them on a basis of equality the better.

The reason the federal government does certain of these things in the first year is that, for many kinds of welfare services in this country, a year is the ordinary period required to acquire domicile within local jurisdictions. That is the reason it is done and the only reason. I felt it would be useful to say these things in the hope that the facts may catch up with some of the rumours.

We are asking in this item for $9 million. It would be optimistic to think that this $9 million was going to cover the whole cost of this operation. We had certain money. I notice the hon. member for Perth, who was here a moment or two ago, is not in the chamber just at this moment. During the discussion of the regular estimates I think he accused me of padding one of the items and I said at that time I hoped that the amount would never be used because it was there for an emergency. Well, sir, unfortunately, unhappily, tragically, the emergency happened and we were very glad to have that money because it has tided us over pretty nearly until now.

We are asking for another $9 million now and we are spending out of our regular votes and using our regular services for these refugees, and I do not think we can begin to estimate all the costs there will be in this movement before the autumn. But it will be considerably more than $9 million and I think it is only fair to tell the committee that right now.

I do think—and I imagine that every hon. member who has seen at least some of these

Hungarian refugees also thinks—that we are going to get full value for our money. I want to say this. I think there will be some people among these Hungarian refugees who will be undesirable; I think there will be some bad eggs among them; I think that is inevitable and I think it is better to face that fact right now. I do hope, too, that the few cases—because I believe there will be few—that are disappointing will not be unduly magnified, at any rate, by responsible people. I am sure they will not be by any member of the house. The great majority of these people are—if I can judge people at all—bright and vigorous. They are intelligent and a good proportion of them have some skill. The great handicap they have is that very few can speak either English or French. When they have got over that handicap I believe they will be as good immigrants as any, as good settlers and ultimately as good citizens as any we have ever had and I think in the long run they will enrich this country.

There is just one other thing, sir. While again this is not quite strictly relevant, yet I think I ought to say a word about it. There has been a good deal in the newspapers lately about the transportation problem that is likely to arise in the late spring. We anticipated this problem in the immigration department away back last August, long before this Hungarian problem added to it, and we have been in touch with steamship companies and the air lines with respect to it ever since. I had a conference with a number of steamship companies when I was in London and we have had a number of other conversations, and we are going to have to take special and extraordinary measures to move the regular flow of immigration which is going to be larger than usual this year, apart from the Hungarians. But I believe we are going to find the means to do it and certainly we are going to make every conceivable effort to find the means to do it because, as my right hon. friend the Minister of Trade and Commerce has indicated more than once, we have a bigger program of capital expansion this year than ever before, and one of the biggest shortages that we will experience later this year is almost certainly going to be a shortage of manpower and we want to get all we can in order to maintain the expansion we have had in the last few years.

Mr. Fulton: Mr. Chairman, I am quite sure there will be no one in the house who will not agree with the purpose for which the $9 million is being requested in the supplementary estimate, though there may be and I think there properly are some criticisms and quite serious suggestions that could be made as to the method by which the matter has been handled to date and how it should be handled in the future.

If I voice some of those criticisms I want to say at the outset that I hope it is not going to be taken as indicating any disagreement with the purpose for which the money is sought and for which the sum the minister referred to has already been spent, because I am quite sure all hon. members of the house as well as the country generally agree that not only will these people coming from Hungary enrich our country, as has been the case with all the other immigrants we have received, but it is Canada's duty as a nation of the world to make some contribution to the solution of this problem.

We have some criticisms to offer, though, and they are serious criticisms; and if I say that in listening to the minister today, in listening to him on previous occasions, and in reading reports of his trip to Vienna one of the criticisms that has occurred to us is that perhaps there has been a little too much use of the first person singular and a little too much suggestion of personal credit for what is being done, that is perhaps a minor matter and not one of the serious criticisms we have in mind.

I think probably the best place to start is the point where the minister concluded, and that is with respect to the settlement arrangements here in Canada. I am sure that all on this side of the house feel that, except in so far as the difficulties of the situation make it necessary, these immigrants should not be dealt with in any way different from normal immigrants, and should not be given any special privileges over and above Canadians. I deliberately used the qualification "except in so far as the special circumstances of this movement make it necessary" because this surely cannot be regarded as an ordinary movement of immigrants.

Mr. Pickersgill: Oh, quite.

Mr. Fulton: The minister has pointed out that in this movement, if in fact it is not to be properly described as a crash operation, 170,000 persons have already fled from Hungary into Austria, a country very much smaller, very much poorer and very much more crowded than Canada and many other countries in the western civilization, and that we cannot leave Austria to grapple with that situation too long because it must be dealt with as an operation calling for immediate action. I also want to say that I accept the fact that there were bound to be mistakes, shortcomings and deficiencies in the handling

of the problem to date, and it would not be fair or responsible not to accept that fact and to criticize the government because they tried to do something even before they had satisfactorily worked out all the details. As a matter of fact my criticism rather goes the other way in that—

Mr. Pickersgill: We have been too timid.

Mr. Fulton: No, but having been willing to accept the risks and to face the fact that it is going to create problems, the government is not doing enough now to solve the problems which have been created. I think it was inescapable that there would be problems, particularly concerning the reception and settlement in Canada of these people, but I am not at all satisfied that enough is now being done to meet those problems. I do not accept the minister's statement that it is not the proper function of the immigration department to try to co-ordinate the problem on a national basis.

In the ordinary course of immigration, which under the policy of the government certainly cannot be said to be overly vigorous, the reception and settlement arrangements for immigrants can probably best be made on a local basis. Where you have an emergency movement such as this I do not think it is at all sensible to suggest that the reception and settlement arrangements should best be left to be handled on a local basis, and that there is no responsibility on the part of the department to co-ordinate them on a national basis. That is exactly the responsibility that exists in a situation such as this.

Mr. Pickersgill: I am sure the hon. gentleman does not want to be unfair, and perhaps we could save a lot of time by not quarrelling about terms. As far as settlement is concerned, that responsibility is accepted by my department. I was talking about reception and welfare and things that are done incidental to the arrival and between the time of arrival and settlement.

Mr. Fulton: I will go on from there to say that here again I think we must face the fact that these immigrants are probably not going to be able to fit into the stream of Canadian employment, activity and life as quickly as the great majority of normal immigrants who come to Canada. We must remember that to a large extent these people are not coming to Canada in the full sense of the words "of their own free will". They are coming as the result of a tragedy which occurred in Hungary, to use the minister's words, and many of them are coming entirely unprepared, never having thought before of the possibility of emigrating. In many cases they are coming without having at their disposal the means which many normal immigrants have, and so it cannot be expected that they will be fitted into the ordinary pattern of Canadian life as quickly as the majority of normal immigrants.

For that reason it seems to me we have to accept a greater responsibility for looking after these people than is normally the case, and that is necessary not only in fairness to them but I believe it is essential in protecting the legitimate interests of Canadians who are already here. I do not think it is fair to the Hungarian refugee to turn him out too quickly into the normal stream of Canadian employment, nor would it be fair to those employers who are supposed to accept him or his fellow workers, the employees who are interested in working alongside him and interested also in the job he will be filling. While we accept that there will be shortcomings in the initial phases of this movement, as I have said, my criticism is that I do not see sufficient signs of action being taken at this time to deal with the problem and remove those shortcomings.

I have not seen a great many of these immigrants myself but I have seen some of them, and I have spoken to others who have seen many more. One of the things which I do not think is being attended to nearly rapidly enough is the problem of education in our languages. Those whom I say arrived in Canada with an immigration sheet, a list of phrases and words in Hungarian and English; one sheet, that was all. Up to the time I left them we had not been able to find out what plans were made to provide them with a more adequate phrase sheet, or to organize classes for them where they might learn the language.

I do not suppose that there exists a great quantity of Hungarian-English dictionaries in Canada. It seems to me that sort of thing is one of the responsibilities which this department should meet; that is, the provision to the local welfare organizations of an adequate supply of material, whether it be mimeographed sheets or printed books, which would enable the instruction of Hungarians in the English and French languages. There should be more than normal attention paid to the organization of classes for these people.

Remember that the ordinary stream of immigration to Canada in the last few years has averaged, I think, somewhere just under 150,000. Now we are committed to take an additional 28,000, and it is quite possible that we will take at least 30,000 or 40,000 in one year; that is one-fifth more than our normal intake, all in one group. It is going to take more than the normal effort to instruct these

people in the Canadian approach, Canadian skills and Canadian way of life, let alone the English or French languages. I do not think that responsibility can be left to the local citizens' welfare organizations, Canadian citizenship societies and the other organizations which normally make themselves responsible to a considerable extent for that work.

Here it is obvious, I believe, that the department must accept a greater responsibility itself and make greater efforts to assist these people; otherwise these refugees will not be able to fit into the Canadian pattern as they should. Here we have what you might call quite properly a crash operation in which the department are going to have to accept a great deal more responsibility and expend a great deal more effort than they have done up to the present.

That raises the question of camps or reception facilities. Here we are in the winter months accepting a very large addition to the normal flow of immigrants, at a time when employment opportunities in Canada are normally much more restricted than in the summer months. I do not think it is sufficient to say we will leave it to the generosity of private individuals to receive and care for these people until such time as employment opportunities increase in the summer. That may be a period of up to six months or more. I think the department must make an assessment of the situation and endeavour to find accommodation, even if it be in the nature of temporary camps, and I do not mean a tent camp or anything of that sort. There are areas in Canada where such buildings exist and where the instruction of these refugees would be facilitated a great deal more than if they were scattered about in individual homes, where this type of work is so much more difficult to co-ordinate.

I think there also must be more attention given to informing these men and women when they arrive just what plans are made and what facilities are available for their instruction and their placement, because those whom I have seen and spoken to were warmly received by the Canadians into whose homes they went; they were marvellous people to have. As the minister stated, most of them had skills. All they wanted was not to be a burden on the people in whose homes they found lodging. Their greatest concern was that they did not want to take charity; they wanted to be able to earn their way in Canada as soon as possible. They were almost desperate about finding out what arrangements had been made for their instruction. The people with whom they were living tried to assure them that they would be welcome there as long as they wanted to stay, but the more Canadians tried to show them that they need not worry for the time being, that they would be glad to have them stay, the more the Hungarians felt that Canadians were trying to show them charity. They appreciated the charity, but they did not want to come to this country and be accused of expecting nothing but charity.

Something must be done to make available much more rapidly than is the case now facilities for instructing these people and fitting them into our pattern of Canadian life. I do not mean to fit them in more rapidly, but rather to start more rapidly to instruct them as to how to go about fitting in.

Another reason I am convinced that the provision of accommodation is a responsibility which we must accept is because of the growing problem in Austria. Unless we are able to receive them they will pile up in the camps in Austria. I have not been there; the minister has. Mr. Michael Barkway, one of the members of the press gallery, has also been there; he and the minister do not seem to agree in their opinion as to conditions in Austria and Canadian responsibility in the matter.

Mr. Pickersgill: I do not think there is any disagreement between us as to the conditions in Austria.

Mr. Fulton: I am glad to hear that. Then I take it that the disagreement is in what we must do about relieving conditions more rapidly than is being done now. Certainly Mr. Barkway suggests that unless something is done to keep the stream moving quickly, not only will Hungarian refugees themselves suffer from sad disillusionment, which would be a bad start, but the whole cause of freedom will suffer because the communist propagandists in that area will then be able to say that all this talk about the western nations receiving these people is only talk. If the refugees were left to languish in Austria there would then be a condition in Austria which would be disastrous. Therefore I do not think it is enough for us just to say that we are taking more than the United States in proportion. We have proportionately more room than the United States.

Mr. Pickersgill: I do not agree with that.

Mr. Fulton: I do not think we should take pride in that fact and leave it at that. We have to assess our own capabilities to deal with the matter and then fulfil the obligation which that assessment imposes upon us.

While we are happy that the $9 million is being asked for, I do not think it is going to be wisely spent unless some greater

responsibility is accepted by the federal department of immigration with respect to the reception, settlement and accommodation arrangements here, and particularly the instruction arrangements here. I believe that now is the time to plan those arrangements, so we may not only continue but in fact speed up the movement to Canada of those refugees we are prepared to take. I think our efforts should be directed to getting over here as quickly as possible the number that we decide should be accepted in Canada. Another question which occurs to me—it is a matter of detail, but I would like the minister to deal with it—is whether we are accepting refugees in Austria solely through our immigration office or whether we are going out into the camps—

Mr. Pickersgill: I did answer that the other day in reply to a question.

Mr. Fulton: I think the minister must expand on the subject. I know he referred to it. This is one of the points that concerned Mr. Barkway at the time of his visit. What drive is being made to go right into the camps and set up the necessary facilities there, and show these people that we mean what we say when we offer to provide a home for them in Canada? That would seem to me to call for an increase in staff, because it would mean manning two offices instead of one. Can the minister not tell us the details of the work being done there?

The other question I have is one of a general nature. What is the total number of refugees who are expected to move into Austria, and is it expected that the movement will continue at the same pace as in the past? At one time I understand that the refugee figure amounted to about 1,000 a day. Has anyone attempted, or is it felt that anyone could attempt, to estimate the total number of refugees who may be involved? What is the estimate of the number Canada feels she can take and that will be available to us?

Those, I think, are questions which should be answered now in order that the problems of settlement may be discussed in the light of that information. Whatever the problem may be, as I have said—and I think this is the point that requires to be emphasized—this cannot be regarded as a normal movement, and the responsibilities of the Department of Citizenship and Immigration for coordinating the reception and settlement of these people are far greater than the minister seems to indicate he is prepared to accept.

Mr. Gillis: Mr. Chairman, when we were discussing the feed grain item this afternoon the Minister of Finance seemed to think we had roamed far afield. I agree with him. In this case he will have to thank his colleague sitting behind him for initiating a wide-open debate on immigration. I have a few words to say on this subject; I shall try not to ask for additional time.

The minister made a very provocative speech. He always does, but I always excuse him on the ground of political immaturity. He will learn in time.

Mr. Pickersgill: I am getting pretty old.

Mr. Gillis: You are not doing too badly. The first thing I would like to clear up is the statement he made that some people, in trying to be mischievous, had created, or tried to create, the impression that medical expenses were paid for immigrants. That is not true. You made the statement that from time to time statements were made that created the impression that medical expenses were paid for immigrants.

Mr. Pickersgill: Could I correct that?

Mr. Gillis: That is exactly what you said.

Mr. Pickersgill: What I said was that it was said they were given free health care. This statement was made by a well known broadcaster in Toronto over and over again, and it just isn't true.

Mr. Gillis: I made a few remarks on that very point in the house. I do not want to be classed with the mischievous. Are you listening? That is the trouble with the minister; that is why he is so uninformed. He makes his own speech, then closes his ears and carries on a private discussion while somebody else is trying to clarify his mind.

Mr. Pickersgill: I apologize. I am a little deaf in one ear, unfortunately.

Mr. Gillis: The Minister of Fisheries was bothering you. On that particular point I have stated in this house, with respect to medical care, that immigrants who come into this country and who have no employment are housed in a hostel in Montreal by the Department of Labour. That is what is suggested by the hon. member for Kamloops should be done now, with regard to the Hungarians.

Mr. Pickersgill: That hostel is being used right now.

Mr. Gillis: Well, in that hostel, to those without employment, medical care is provided.

Mr. Pickersgill: That is right.

Mr. Gillis: Without a means test. Then when they leave the hostel and go into a province and find themselves in an indigent situation, provision is still made for their

health to be cared for. Let me give you this evidence. I have it in my hand. I was a member of the committee that examined the estimates of the Department of Labour in 1956, and I raised this very question in that committee because of an item which appeared in those estimates. I will read the questions and the answers. This is at page 536 of volume 12 of the minutes of that committee:

Mr. Gillis: Now, the agreement with the provinces with respect to medical expenses—there is quite a large item there?
Mr. Dawson: Yes.
Mr. Gillis: Do you spend the amount voted each year for that purpose?
Mr. Dawson: I think we did last year. You were talking about the agreement with the provinces?
Mr. Gillis: Yes.
Mr. Dawson: We had $135,000 appropriated for this purpose in the last fiscal year, and we spent $127,000.
Mr. Gillis: That would indicate that your hostel was operating at pretty near capacity, was it not?
Mr. Dawson: No, this is medical expense shared with the provinces after they have been placed in employment and in their future homes.
Mr. Gillis: After they have been placed?
Mr. Dawson: Yes, this has nothing to do with the medical attention at the hostel.

Then I wanted to know why they should pay medical expenses after they had secured employment. But that definitely proves that there is provision for all medical purposes for one year if people find themselves in indigent circumstances after they go to find employment.

Mr. Pickersgill: Quite correct; but if they are in employment and have the money to pay it is not provided. There is a means test, in other words. It is the same as the municipalities do for other indigents.

Mr. Gillis: Of course. I went on to point out that this is a national health insurance for immigrants—

Mr. Pickersgill: Surely health insurance does not depend on indigence?

Mr. Gillis: That is health insurance not on a contributory basis. We are going to make it a little tougher for our own people.

Mr. Pickersgill: Oh, no; all indigents can get treatment.

Mr. Gillis: The Department of Labour has that arrangement; you may have other arrangements through your department.

Mr. Pickersgill: May I make this point clear? This is all being transferred to my department in the next fiscal year. Up to now we have both handled it; they do it for one group and we do it for the rest.

Mr. Gillis: I was talking about what has been done up to now; I am not crystal-gazing into the future. When your estimates come before the house we will take a look at them.

[Mr. Gillis.]

With respect to the $9 million for the movement of Hungarians, of course having regard to the way in which the minister puts the matter—a strong humanitarian plea—no one disagrees with it. However, I have always felt that immigration should be a planned proposition. While we are obliged to move these people at the present time, personally I do not like young people running away from their country when it is in danger.

Mr. Pickersgill: Surely—

Mr. Gillis: The minister said this when he was speaking.

An hon. Member: Do you want them to stay and get shot?

Mr. Gillis: They were moved to England, and they did not want to stay in England because it was too close to Russia. They were moved to Scotland, and they did not want to stay in Scotland because it was to close to Russia. Where are they going to run from here?

Mr. McIvor: Ireland.

Mr. Gillis: That is an impression. The minister said that, and of course he reported what someone else said.

Mr. Pickersgill: That is right.

Mr. Gillis: That is not a good reason for coming to Canada, and it is not a reason that should be advanced for taking them in here. I agree with the hon. member for Kamloops on the point he made with respect to a centre where these people could be sorted out. If they are permitted to come in here by the thousands, unscreened, not medically checked, and are dumped into the main stream of employment across the country, whether it be agriculture or the regular labour market, without some check being made, then I think it is bad planning. While you may not have the facilities to do it in Austria, I believe there should be a centre in Canada where they could be assembled, medically checked—

Mr. Pickersgill: Every one of them is medically checked at centres in Canada before they go into the stream.

Mr. Gillis: That is fine; I am glad to hear it.

Mr. Fulton: They are not kept there long enough.

Mr. Gillis: They should also be examined with regard to where in Canada they can make their best contribution. What are their skills? Where are you going to send them? In my opinion that is not being done at the present time. I also warn the minister that people in many parts of Canada are questioning the advisability of throwing so many

people into the general labour market. They are very seriously questioning it in my part of the country. I am asked the question a good many times, and maybe the minister can give me the definition; what is the difference between a refugee from the maritime provinces or some other part of Canada, and a war-scared refugee from Europe? One can get just as hungry as the other. I get letters from some who have gone to New Zealand, without any assistance from the Canadian government, some of them from my own home town.

Mr. Pickersgill: I know.

Mr. Gillis: Of course, because I wrote the minister on that subject and I got a very curt reply. Some time I will give him the answer, but I am not going to do it now.

Mr. Fulton: You mean to tell me you have had a short reply from the minister?

Mr. Gillis: Yes.

Mr. Knowles: Did you say "curt"? Surely you meant "courteous".

Mr. Gillis: Oh, no. I am not going to mix it up with this discussion, because I am not going to take very long. We have shifted people from the maritimes to British Columbia.

Mr. Sinclair: It worked out very well.

Mr. Gillis: Very well indeed. We have also shifted people to different parts of Ontario. There are a lot of them. The hon. member for Kenora-Rainy River knows about that.

Mr. Benidickson: That is working out well, too.

Mr. Gillis: I hear from them, and they are getting along fine. However, up to December 31 of last year there were arrangements whereby to some extent the expenses involved in moving such people could be taken care of. As of December 31 that legislation expired, and it has not been renewed. I mention this to the minister because I think he has just as much responsibility in the case of people who have to move possibly 4,000 miles within their own country. I mean people who have been war veterans and taxpayers, and who are obliged to become economic refugees from their own part of the country.

Mr. Sinclair: They were attracted to British Columbia. They wanted to go there.

Mr. Gillis: You came down to recruit them because you knew where to get the best class of people in the world.

Mr. Sinclair: Exactly. They have done very well, and lots more will go out.

Mr. Gillis: They have done very well. By the way, I had a letter a few days ago from the recruiter you sent down there, and it has worked out so well that he is going back for a few hundred more.

Mr. Sinclair: Good.

Mr. Gillis: That is why I am saying to the Minister of Citizenship and Immigration that if there are 400 or 500 more who want to go out there to help develop and enrich British Columbia, the legislation that expired on December 31 might be re-enacted so that British Columbia might get the benefit of three or four hundred people from that part of the country. Incidentally, I do not like to see them move; but in view of the fact that the Gordon commission said "If, if, if, if", then should they move there should be some provision whereby the government will at least put them on a basis of equality with those who are coming here from other parts of the world.

Mr. Sinclair: In the case of those particular people the company advanced their fares, and it is the same company that is taking the Hungarian forestry school.

Mr. Gillis: Those who went out there are refunding their fares to the company out of their wages.

Mr. Sinclair: They are proud Scots. They want to pay their own way, as I would and you would, I hope.

Mr. Gillis: Definitely. Are you saying that the Hungarians are not proud Hungarians?

Mr. Sinclair: I said "proud Scots".

Mr. Gillis: Well, the inference is there. I know you did not mean that.

Mr. Sinclair: That is your inference.

Mr. Gillis: I mention that because I think we have as much responsibility in the case of the people about whom I am talking as we have in the case of people from outside Canada. I am not objecting to the people we are taking into Canada. I would say for the benefit of my generous, charitable, and sanctimonious friends to my right that we just cannot adopt a policy in North America of evacuating Europe because people there are afraid of Russia. I suggest that the minister should not pay any attention to people who talk that way. In the case of these people, however, there was nothing they could do but get out because of the circumstances that faced them. They had nothing but their bare hands.

Mr. Fulton: Does the hon. member not realize that some of the best immigrants of the past have been people who left to avoid persecution?

Mr. Gillis: My ancestors did.

Mr. Fulton: Have you any quarrel with them for coming here?

Mr. Gillis: It does not put those who drove them out on a very high plane.

Mr. Fulton: No. We are not asking to have Russians come here. We are talking about Hungarians.

Mr. Gillis: Some of them were moved to Scotland and England, and they said they were too close to Russia. As far as I am concerned, that is not a very good reason for coming here.

Mr. Pallett: Don't forget that is hearsay evidence.

Mr. Gillis: Of course. I heard it before I heard the minister say it here. I have heard that in other places.

Mr. Pallett: Not from the Hungarians.

Mr. Gillis: While I may sound as if I am being critical about bringing these people into the country, I am one of the first to cry down that kind of reason for bringing them here. They came here because they were hungry, because they were overrun, because they had no medical attention, because they had nothing with which to fight. They were dumped into a little country completely unable to handle them. The only place in the world still large enough and free enough is Canada. There is lots of room here. The caution I am expressing is that we should not go overboard by reason of sentiment in the process of being charitable and generous, and not realize what is needed to protect our own people. I know that things are pretty bad in my part of the country. The Gordon commission did not paint a very bright picture. Our people may have to move.

Mr. Pallett: It will improve now with Robert Stanfield.

Mr. Gillis: Stanfield cannot move the Atlantic ocean. We do not have the room for expansion. We are hemmed in by the ocean. We do not have the hinterlands of Ontario, British Columbia, Quebec and the other provinces. We are stuck there.

My main objective in rising at this time was to bring to the attention of the minister the lapse of the labour department legislation providing for the movement of people within Canada. I know that within the foreseeable future other people are going to have to be shifted. There are pockets now not only in Nova Scotia but also in Ontario. Perhaps in a few years the northern part of Ontario will be in the same position as we are down in the maritimes today, if not worse.

Mr. Pickersgill: The minister who knows about this is here now.

Mr. Gillis: Yes; I am glad to see that the Minister of Labour has come in. I was just pointing out to the Minister of Citizenship and Immigration the fact that while we appreciate his request for a supplementary estimate in the amount of $9 million to assist in the movement of Hungarians the legislation in the Department of Labour that permitted your department to assist the movement of workers in Canada expired as of December 31. To the best of my knowledge it has not been renewed. I would suggest that the Minister of Labour and the Minister of Citizenship and Immigration get together to develop a policy on behalf of the government that would place the economic immigrant within the country on the same footing as those from other countries who are obliged to come here for various reasons.

Mr. Gregg: No, the very modest funds available in my department for assistance in the movement of workers from one part of Canada to the other have not expired. They can be renewed from one fiscal year to another by means of the estimates each year.

Mr. Gillis: I suggest the minister check that, because my information from Mr. Thompson, the director of that particular vote in my area, is that he has been notified that the legislation has expired and was not to be renewed so far as that particular area was concerned.

The Deputy Chairman: I am sorry, but I think I am at least 10 minutes late in getting up. The hon. member is now making use of an estimate of the Department of Citizenship and Immigration to discuss legislation upon which really no action could be taken under the vote now before us.

Mr. Gregg: Would I be permitted to clear up one point which has been left in the air?

The Deputy Chairman: I think perhaps since I have allowed the hon. member for Cape Breton South to wander so far afield I should allow the minister to reply, but I think his reply should be extremely brief and, if I may put it this way, not provocative.

Mr. Gregg: I try to be brief and unprovocative at all times, and I can be on this occasion. In brief this is the answer. Under the arrangements made for this particular purpose, which I do not need to go into, the

Minister of Labour has authority from time to time to decide whether certain areas in Canada are in such economic condition that he should be authorized to assist in moving persons from that area to another area in which they could find employment. There has been no change in that legislation and no change in the estimate, but the Minister of Labour has decided that in the recent past there has been no occasion to use any of that money in so far as Cape Breton is concerned.

Mr. Shaw: Had you not interceded in defence of the rules, Mr. Chairman, I was going to suggest that if I were to be guided by precedent already established during this debate, I would find it utterly impossible to determine the bounds within which I must keep in the course of my observations. I know, Mr. Chairman, that traditionally it is the duty of the opposition to criticize. This is a privilege I would not take away from the opposition, nor would I do anything to discourage them even on this occasion. Moreover, I may say that if there is one minister in the House of Commons who can provoke criticism it is the Minister of Citizenship and Immigration.

However, upon this occasion I find it extremely difficult to be very critical. I say that, Mr. Chairman, because of the fact that we are dealing with those who are the victims of probably one of the most tragic situations ever to occur in this world. We are dealing with babies, little children, mothers and others who have done two things. First, they have given this world one of the finest demonstrations it has ever witnessed of just how much people who have lost their freedom value it. Furthermore, this occurrence has been an indication to those of us who are free just what is our responsibility in retaining it. Second, we are dealing with people who have done more than all others to unmask communism and indicate to the world the true nature of that vicious force.

I agree with some of the things said by the hon. member for Kamloops, but after all we are dealing with an emergency; something which has happened suddenly; something that must be dealt with immediately. If some of these things were to occur in the course of our ordinary immigration policy, the handling of immigrants who come here under normal circumstances, then I too would be rather severely critical. I am not going to be critical here. I do not expect us to be able to handle these people in exactly the same way as we would handle normal immigrants.

The minister mentioned that, proportionately, Canada had already accepted more of these Hungarian refugees than had the United States; that is undoubtedly true. I believe Canada is probably in a position to handle more of them than the United States will ever handle. I say that not from the standpoint of our ability or inability to finance them but because of the very nature of our country, economically and geographically, and the fact that we have been led to believe it is so extremely important for Canada to build up her population as rapidly as it is reasonably possible to do so.

Plainly I cannot subscribe to some of the observations of the hon. member for Cape Breton South. I rather fancied that perhaps I misunderstood them; I hope I did not, but I cannot be certain until I examine the record and determine exactly what he said. Actually, Mr. Chairman, I rose in order to ask the minister a question or two. I am merely seeking information. I wonder if his department is yet in a position to indicate the disposition of these Hungarian immigrants across Canada by provinces. I think we should have that information. Secondly, I should like to have information with respect to the age groups, the sexes, the professions, occupations and so on. I would appreciate having that. I feel that probably the house would benefit as a consequence of receiving it. I am sure if the minister has the information he would be pleased to put it on the record.

I am not going to take up more time. Last November we as a group endorsed what the government indicated to us it was prepared to do. We feel that, to be fair, they have done a pretty good job of it. We realize that there are a lot of difficulties to be ironed out. We feel, as I said, that the government has done a pretty good job of it; but we also feel that the provinces, cities, towns, municipalities, voluntary organizations and individuals also have done a pretty good job and are continuing to do so. We hope any bugs that are appearing will be removed, and we expect they will. Probably in a month or two we shall be in a better position to assess the whole situation, and if with respect to certain things we do appear to be mildly critical we can assure the minister it will only be because we would be justified in being so. It is too early in the game for hon. members to be advancing some of the criticisms to which we have already listened.

Mr. McIvor: Mr. Chairman, I congratulate the hon. member who has just taken his seat on having some Christian common sense. I congratulate the government on the job they have done. They were certainly not slow or lazy; they jumped into the job

right at once, and I congratulate the government on sending the young minister over there to find out for himself, as he did. One thing I am surprised at is that the expert critic of the opposition has not been able to find more mistakes because of the vastness of the undertaking. But since Canada is a Christian country it is her duty to feed the hungry, clothe the naked and help those who are out of joint with the rest of the world.

I congratulate these refugees on the stand they have taken against Russia. It will live forever in the history of Hungary. We have a Hungarian committee in Fort William, as I mentioned before. We had the opportunity of taking a group of these refugees. Donald Clark and Son, of Port Arthur, who had bought the Great Lakes sawmill, had a number of houses that were formerly used to house Japanese who came from Vancouver and used the houses to shelter these people. The reception they received was certainly pleasing to the Hungarians. They were met by the mayors of both cities and by others, and they were well received and well fed. The clergy, both Protestant and Roman Catholic, representing this group, called on them. I know the majority of them are Roman Catholic, but that does not make any difference; they can be hungry, and they can be out of work.

Another thing is that many people thought there would be many communists among them. Anybody who has come out of Hungary under these circumstances is cured forever of being a communist. I congratulate the government and the young minister on the job they are doing, and hope they will keep on doing it.

Mr. Nesbitt: Mr. Chairman, I think all hon. members were very interested in the minister's remarks. I found one thing he said very interesting, namely the reference he made to the group of students coming to Toronto today. I think he made reference to the fact that they had not yet landed but were going to do so. I am sorry the minister did not elaborate a little further on that particular subject, because many of us would like to know the number of students who are coming to Toronto; whether the government is going to pay for them or some private concern will pay for them; where they are going to stay while they are attending the university, and so on. I think we should like to hear about it from the human interest point of view.

The minister said these students are coming. I think some hon. members have heard stories about this arrangement. I have had some information which suggested that there would be about 109 students arriving, and that a great deal of the expense of their education was going to be paid by the Ontario mining association. I would be very glad if the minister could confirm or deny it.

When the minister was dealing with this matter of the students he made reference to the hon. member for Davenport and the fine liaison work he had done to help them along. I think the minister may have been a little less than generous in not giving some credit to the Ontario government, particularly to the department of planning and development. It is my understanding that they also had quite a lot to do with this particular arrangement.

Mr. Pickersgill: Not this particular one; in the reception of the Hungarians generally, yes, but not this particular one. It was the president of the university and a group of businessmen who were approached directly by the hon. member about this matter. With respect to the refugees generally, I give full credit to the Ontario government for what they have done.

Mr. Nesbitt: That answers my question. The Ontario government actually had nothing to do with the mining students from Sopron University?

Mr. Pickersgill: Not in the early stages; I believe they have been very helpful lately.

Mr. Nesbitt: There is one thing I would like to bring to the minister's attention now rather than do it privately, as ordinarily I probably would have done. I think it is something that should be brought to his attention and to the attention of the country generally because, while it is only one situation, I have no doubt it could be duplicated in a number of places. The situation I am going to refer to has arisen because of a misunderstanding which, if it were cleared up now, would probably save a lot of grief for a number of people in this country in the future.

I refer to a letter I received the other day from a constituent of mine. His name is Mr. John Gyurki. He lives in Woodstock, and is a Canadian citizen of Hungarian extraction. I quote two paragraphs from the letter which I think are important. They read as follows:

> On December 14 last, I brought six members of my family to Canada from Hungary. To acquire sufficient funds to pay for their passage, I had to borrow money from the bank. I understood that the passage for refugees would be paid by the government, as pointed out in numerous newspaper clippings, some dated November 29 last. Two of these clippings are enclosed to you herewith.

I might say at this point that I shall refer to these clippings later. I continue with the letter:

In these clippings, the Honourable John W. Pickersgill stated that a decision had been made to grant free passage not only to those refugees yet to come, but to those already arrived or on route.

The next paragraph reads:

After inquiring about free transportation to Canada with the Department of Citizenship and Immigration, I received a letter from them dated January 10 last, which I am enclosing. I cannot see any comparison between the contents of that letter and the newspaper clippings; they just don't correspond. I refer especially to the second paragraph of the letter.

I refer to the second paragraph of the letter which was sent to Mr. Gyurki, dated January 10 last, by the Department of Citizenship and Immigration, and it reads in part as follows:

I have your letter of January 4, 1957, enclosing six air contract tickets covering the transportation to Canada of five members of your family at a total cost of $1,035.

Free transportation to Canada in respect of Hungarian refugees does not apply where persons pay their own transportation to Canada or where the cost of their transportation is advanced by a friend or a relative in this country.

The remainder of the letter is not particularly relevant to this discussion. As a member of this house, Mr. Chairman, I understood that these were the regulations at the time, and I have no doubt that other hon. members had that understanding. But unfortunately the general public does not have the advantage of the sources of information that hon. members have, and very often—in fact most of the time—the public rely on what they read in the newspapers. I would like to refer to a couple of clippings which are enclosed in the letter. One is from the Toronto *Star*, dated November 29. It also contains a large picture of the Minister of Citizenship and Immigration and reads as follows:

Ottawa, November 29—Canada will not only open its gates to all Hungarian refugees who want to come here, but will provide their passage free, Hon. J. W. Pickersgill, Minister of Citizenship and Immigration, told the House of Commons last night.

His announcement was greeted by cheers from all sections of the house, and welcomed by opposition speakers.

Until yesterday afternoon, the government had planned only to give the refugees "assisted passage", which was expected to be repaid.

Decision to give passage as a gift was made at a cabinet meeting yesterday afternoon, Mr. Pickersgill said. The decision applies not only to those yet to come, but to those who have already arrived or are en route.

I have another press clipping to which I shall refer very briefly. It is a Canadian Press dispatch which appeared under the same date line in the Woodstock daily *Sentinel-Review*. The quotation reads:

"It was decided," Mr. Pickersgill said, "that as almost all of these refugees have nothing they can bring with them except the clothes they are wearing, and, as many of them have little or no money, it was not reasonable to expect them to try to establish themselves in this country with a debt over their heads at the very start."

This policy of free passage would also apply to Hungarian refugees who have already had assisted passage to Canada—a small number as yet.

This is a very unfortunate situation, and there are probably a number of other people in the same situation as Mr. Gyurki of Woodstock. I was going to say there were others who had been victimized, but that word possibly has an unpleasant connotation. Doubtless there are others who have been misled by these press reports. Probably they should have made inquiries of the minister, but perhaps it was not possible to reach him because he might not have been available at the time. It is most unfortunate that these people should have borrowed money to bring to this country what in this case were not even close relatives, and relied on the press reports. As a result of having brought these Hungarians to Canada they are now in debt to the bank.

I am raising this point today in the hope that other people will not fall into the same trap, and I think the minister might consider as special cases those who went into debt in this way. Perhaps reimbursement could be made to these people who borrowed money in good faith in order to bring relatives and friends to Canada in an honest and sincere desire to be of help. I am not suggesting that the minister created this impression deliberately, but an unfortunate impression was created in the press and I hope the minister will be sympathetic toward this case and any others that might turn up.

Mr. Boisvert: Mr. Chairman, I should like to direct a question to the minister if he would allow me to do so. My question concerns the Hungarian immigrants who have been accepted in Canada up to the present time. Can the minister tell me how many were under nine years of age? Before the minister rises to answer my question I wish to say a few words about a group of young Hungarian immigrants who were admitted into this country.

Under the auspices of the bishop of Nicolet, His Excellency Monsignor Martin, a group of people were organized to receive young Hungarian immigrants, and already 600 have been taken in by families some of whom had five or six children or more. I might also point out that the demand for these unhappy young immigrants has been greater than the number who are available. The group has encountered one problem and

it is the following. It is the desire of those families who have taken children into their homes to adopt the refugees, but according to the law of the province of Quebec the adoption cannot be legalized if the parents of the children are alive.

I would be grateful to the minister if an inquiry could be conducted as quickly as possible to learn whether the parents of these children are living or dead. If they are dead it will be very easy to have the refugee children legally adopted; then because of their young age they will grow into real Canadians and will be a great asset to the province of Quebec and to our country as a whole. I know the refugee children have been accepted into the homes like the real children of the mother and father, and are receiving from each member of the family the deepest affection that the human heart can give to another human being. If the Department of Citizenship and Immigration can conduct a survey as quickly as possible, as I have already said, in order to learn if the refugee children are orphans, it will be in the best interest of the orphans themselves and of the country.

(*Translation*):

Before resuming my seat, I should like to say a few words in French because I know that the hon. minister understands French very well and speaks it on occasion.

I commend the government and the minister for the manner in which they approached and solved the problem of Hungarian immigration, because they showed a world which is overrun by materialism that Canada has not yet lost its sense of humanity.

If we give those children who have been admitted into this country the same care and attention we give our own, they will be proud to become part of the Canadian community. They will forget the horrors they went through, and that were wrought upon them by people who called themselves their brothers. I therefore trust that those newcomers to Canada will make an important contribution, and that they will prove humanity is still the best law which governs mankind.

(*Text*):

Mr. Herridge: Mr. Chairman, I listened with great interest to the statement made by the minister on this question, which is of particular concern to the Canadian people at this time and in which a great number of people are expressing a keen interest. I realize all the difficulties that surround a crash operation like this. I have discussed the matter with constituents of mine who are supporters of all parties in this house. There has been a particularly lively interest in this question in the riding of Kootenay West, and I must say that some of the letters most critical of the policy of the government which have appeared in the local papers were written by some of the most prominent Progressive Conservatives in my constituency, frankly expressing their views and concern about certain aspects of the government's policy in this case. As a result of conversations with people of all parties I agreed to briefly present their views to the house.

I am sure we all agree with the purpose behind this movement. I did not encounter anyone who opposed the coming to Canada of genuine political refugees; in fact, all the people to whom I spoke said they would welcome them. They were concerned, however, about certain aspects of the government's policy. I learned that a good number were concerned that only desirable persons should enter Canada. They were wondering whether the screening of these people was sufficient, and whether there were satisfactory medical examinations. I was very pleased to hear the minister say today that these people were screened and there were adequate medical examinations of those desirous of entering the country.

Mr. Pickersgill: Would the hon. member permit me to interrupt? I would not like a false impression to be created about this matter. These people are in Austria, they are not in Hungary. Austria is part of the free world, and the Austrian government appealed to the rest of the free world to take the refugees as they came and not to select. Great Britain, France and every other European country did just that; and we here as a government, as I announced last November, made a decision to do the same thing. I believe the United States because of its rigid laws does refuse some and leaves them on the doorstep of Austria, but we do not. We give them medical examinations, and if treatment is necessary it is arranged here. We do not reject them for that reason. We are attempting to do as much political screening as is consistent with their rapid movement to Canada.

Mr. Herridge: I thank the minister for his explanation. I realize the difficulties with respect to screening, but on behalf of these constituents I do urge that as time proceeds, every effort be made to see that no unsuitable persons come into this country, that is persons who cannot accept our democratic way of life.

Mr. Pickersgill: It is hard to satisfy all the people in British Columbia.

Mr. Herridge: Not always. I misunderstood the minister when he mentioned medical examinations. I thought he meant in Austria.

I understand now that they are examined in Canada.

Mr. Pickersgill: They are examined in Austria as far as possible, but when it is not possible they are examined here.

Mr. Herridge: If they are found to have disabilities do they receive treatment in Canada?

Mr. Pickersgill: Yes.

Mr. Herridge: The second point I have is that effect should be given to a policy under which no Canadian workman would be displaced from employment. That is one question I have had repeatedly brought to my attention.

Mr. Byrne: Did Conservatives say that?

Mr. Herridge: People of all parties, including the Liberal party. Many of the people to whom I spoke thought the government should exercise equal compassion and equal treatment for Canadians such as those mentioned by the member for Cape Breton South, where people wished to go to other places in Canada; and for those relatives of Canadian citizens who have been refugees from tyranny for a considerable number of years, some of whom have been in Hong Kong for some time and whose aim it is to come to countries such as ours.

As I said before, the minister dealt with the question of screening and has given a further explanation with respect to medical examinations. I was quite pleased to hear that he was frank in admitting that we are bound to get some bad eggs; I hope they are few in number.

Mr. Pickersgill: So do I.

Mr. Herridge: I think the fears of working people have some basis in fact, because I was interested to read a newspaper dispatch in the Toronto *Globe and Mail* of today's date which said:

> CCCL Charges Canadians Being Replaced by Refugees.
>
> President Gerard Picard of the 100,000-member Canadian and Catholic Confederation of Labour said today some employers are dismissing Canadian workers and hiring Hungarian refugees at lower salaries.

I presume that is on a very small scale at the present time.

Mr. Pickersgill: I certainly hope so.

Mr. Herridge: I think the government should do more than hope so; they should give effect to this policy so as to do everything within their power to see that this situation is not allowed to develop.

Mr. Pickersgill: I can assure the hon. member that the placement service in my department would never knowingly direct an immigrant to any employer who was displacing his own workmen in order to take on immigrants, and we would do our best to see that he did not get them. Sometimes, however, it might happen that, on their own, immigrants might stray into such situations and it might be difficult to prevent that happening. I can assure the member that we would not intentionally allow it to happen.

Mr. Herridge: I am glad to hear that, and I hope the government will do everything possible to see that this situation does not develop, particularly during the winter months.

I am sure the great majority of these immigrants are very thankful and grateful to have the opportunity of coming to a country such as Canada. I understand that the department pays the passage of these people who come to Canada, and in the great majority of cases they come by air.

Mr. Pickersgill: No, most of them have come by sea.

Mr. Herridge: In any case the Canadian people pay their fares?

Mr. Pickersgill: That is right.

Mr. Herridge: Would the minister consider it unfair if we treated these people as we do people from other countries; that is, if we were to ask them to repay their passage, which was advanced by the Canadian government, in small sums per month when they found it possible to do so? I mention this because that idea has been given to me by a number of people, and I told them I would bring the matter up in the house.

I have just given the minister the views of a good number of people in my constituency, which I promised to do.

Mr. Dinsdale: Mr. Chairman, I am drawn into this discussion because of one comment made by the hon. member for Kootenay West. He mentioned that there was a variety of opinion concerning this problem of the Hungarian refugees, and he gave honourable mention to the Conservative party.

The problem is one which requires understanding and sympathy, I think, on the part of all members of this house as well as on the part of all citizens of Canada. It is an emergency situation and I feel that it should not be treated from the standpoint of narrow party politics; rather it should be treated from the standpoint of the broad humanitarian viewpoint. It is the first time Canada has attempted to deal with an emergency refugee situation, and there are bound to be many kinds of unanticipated problems.

In my area we have had a small share in the matter and, contrary to the situation which seems to prevail in the constituency of

the hon. member for Kootenay West, some of the leading people who have been serving on the voluntary committees are ardent supporters of mine. In the city of Brandon we have had a particularly active group. We have quite successfully coped with the situation, largely because of the generous response on the part of the ordinary citizen.

I would like to commend the officials of the department. There might be some criticism by way of lack of over-all co-ordination by the top levels of the department, but certainly in my contact with Mr. Baillie, Mr. Voisey and Mr. Roberts it has been evident that they have done an excellent job in our particular locality. We are working by trial and error, and I hope the precedents which have been established and the experience which is being acquired will not be forgotten by the department but that they will take advantage to a much greater extent of the opportunity to obtain outstanding citizens by way of immigration emergencies of this kind.

The municipalities are somewhat concerned as to how much of a financial burden arising from this emergency will devolve upon them. There might be some bad eggs among the immigrants, but there are also plenty of good eggs. An immigrant who was being medically examined was found to have several large fragments of shrapnel lodged in his person. He had carried them ever since the days of the fighting in Budapest, and when he was asked why he had not reported the trouble before, even though he was suffering considerable pain, he replied that he was afraid that if he had he would have been prevented from coming to Canada. That, I think, is typical to a large extent of the spirit of a large proportion of these immigrants. This man has now been hospitalized. Does the department pay the expenses arising from a situation of this kind?

Mr. Pickersgill: I wonder if the hon. member would permit me, in view of the limited time now available, to answer the very specific questions which were asked by the hon. member for Red Deer, whose speech I appreciated very much, because this is strictly concrete information which I think it would be helpful to have on record in today's *Hansard*.

I can give the distribution by provinces up to and including today, assuming that every train and plane arrived today as it was expected to do. I have a table here, and perhaps I may read it very quickly. For the whole of the Atlantic provinces there have been 118. The other figures are: Quebec, 3,099; Ontario, 3,382; Manitoba, 1,013; Saskatchewan, 307; Alberta, 684; British Columbia, 1,310.

I have also a table here showing the occupational groups, and perhaps with regard to that it might be agreed that it be put on the record without my having to read it.

The Deputy Chairman: Is that course agreeable?

Some hon. Members: Agreed.

Mr. Pickersgill: The tables are as follows:

HUNGARIAN REFUGEES ARRIVALS AND ALLOCATION AS OF JANUARY 25, 1957

Month of arrivals	By Province										
	Nfld.	N.S.	P.E.I.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total
November	—	—	—	—	93	29	—	—	—	—	122
December	4	—	—	—	835	1,971	337	306	265	327	1,045
January	—	28	—	86	2,171	1,382	676	1	419	983	5,746
	4*	28*	—*	86*	3,099	3,382	1,013	307	684	1,310	9,913

* Of 260 Hungarian refugees allocated to Atlantic provinces, only 118 remained and were desirous of accepting employment in these provinces.

Numerical and Percentage Distribution of Hungarian Refugees Processed Vienna, Paris, London, The Hague, Brussels, Cologne and Berne By Major Occupational Groups November 26, 1956 to January 16, 1957

Occupational Group	Number	Percentage
Destined to the Labour Force—		% of Total Workers
Managerial	13	·2
Professional	880	11·1
Clerical	320	4·0
Transportation	228	2·8
Communication	5	—
Commercial	77	1·0
Financial	3	—
Service	936	11·8
Agriculture	297	3·7
Fishing, trapping, logging	29	·4
Mining	170	2·1
Manufacturing and mechancial	3,403	42·8
Labourers	1,594	20·0
Total Workers	7,955	100·0
Not Destined to the Labour Force—		% of Total Flow
Wives	2,319	17·4
Children	2,264	16·9
Others	799	5·9
Total Dependents	5,382	40·3
Grand Total	13,337	100·0

I also have a further table showing those processed up to January 16 by sex and marital status. I think these are perhaps the most useful figures to give, and they are the only ones I have available.

The Deputy Chairman: Is it agreed that the other tables referred to be included in *Hansard*?

Some hon. Members: Agreed.

Mr. Pickersgill: The table is as follows:

DISTRIBUTION OF HUNGARIAN REFUGEES PROCESSED IN VIENNA, PARIS, LONDON, THE HAGUE, BRUSSELS, COLOGNE AND BERNE BY SEX AND MARITAL STATUS NOVEMBER 26, 1956 TO JANUARY 16, 1957

Type	MALES					FEMALES					Grand Total
	Sin.	Mar.	Wid.	Div.	Total	Sin.	Mar.	Wid.	Div.	Total	
Workers	3,231	2,802	47	218	6,298	918	449	127	163	1,657	7,955
Dependents—											
Wives	—	—	—	—	—	—	2,314	2	3	2,319	2,319
Children	1,222	3	2	—	1,227	1,034	3	—	—	1,037	2,264
Others	502	46	7	2	557	162	35	36	9	242	799
Total dependents	1,724	49	9	2	1,784	1,196	2,352	38	12	3,593	5,382
Grand Total	4,955	2,851	56	220	8,082	2,114	2,801	165	175	5,255	13,337

Mr. Fulton: What about the Canadian staff in Austria, and their distribution among the various camps?

Mr. Pickersgill: I intend to try at a later stage to answer all these different questions. Perhaps I could answer one of the questions put by the hon. member for Brandon-Souris right away. We are still in contact with most of the provincial governments with regard to how we are going to adapt the ordinary agreement for medical care of immigrants to this situation, but the expense will not fall on the municipalities.

Mr. Cardiff: I do not suppose the minister has any particular choice with regard to who is coming. Has he any knowledge as to the percentage of these immigrants who are agriculturists or farmers?

Mr. Pickersgill: I regret to say the answer is, only a small percentage; if it were greater we could place them very quickly. They are nearly all from urban places. These people are refugees from the fighting, just as my ancestors were who came to Ontario in 1783 as refugees from the fighting in the American revolution, and I did not altogether appreciate what the hon. member for Cape Breton South said about people who had to run away. There comes a point where the battle is completely lost and you either accept someone else's domination or you go somewhere else, and I do not think it is any disgrace to these Hungarians that rather than go to Siberia they should seek their fortunes in countries beyond the seas.

Mr. Gillis: I rise on a point of privilege. I am not going to allow the minister to put words in my mouth. The minister is the person who raised that question. He made the statement that he was told, in England and Scotland, that the reason these refugees were going to Canada was because it was still too close to Russia there. My reply to him was that I did not consider that to be a good enough reason, that running away from Russia was not a good reason to enter Canada. It was not I who said that; it was you who said it. I was playing it down.

Mr. Pickersgill: In that case, I apologize. What I said, or what I thought I said, was that these people said they had been told when they left Austria that they were going to Canada, and when they found they were not in Canada—some of them when they got to England thought they were in Canada—they felt they had been deceived, and said, "Please, we want to go to Canada." I cannot blame them very much for that.

Mr. Gillis: You did say that they said they were still too close to Russia.

[Mr. Pickersgill.]

Mr. Pickersgill: After the Russian tanks they had seen in Budapest I don't blame them.

Mr. Gillis: Don't blame me for making that statement. I was playing yours down.

Mr. Regier: I am sure the minister intends to make an early, lengthy and detailed reply to the many requests for information made by hon. members, and I would therefore only wish to add one or two other matters to his list in order that when we come to his estimates we may obtain a reply.

I believe that a moment ago the minister said these people were refugees from the fighting. I believe he said that. It appears that the hon. member for Red Deer has a little more information with regard to these refugees than a number of other hon. members have. I wonder whether, when the minister obtains additional information, he would be able to find out for us what proportion of the refugees actually participated in the battle against communism.

I am in full agreement with what the hon. member for Red Deer is advocating when he says by all means let us do all we can to help widows and orphans, children and mothers—I do not know whether he actually mentioned mothers, but I would add mothers—and so on. In other words we should help those who have suffered most. However, I would like to tell the minister that the favourite complaint that has been made to me is that the vast majority of these people seem to be young, husky, healthy single men; and it seems rather odd, if we are so open-hearted and anxious to help refugees from the horrors of battle, that the bulk of the immigrants should not be widows and orphans and so on.

The Deputy Chairman: Order. I am sorry to have to interrupt the hon. gentleman, but it being five o'clock the house must proceed to the consideration of private and public bills.

Mr. Harris: I realize that we are in the middle of an interesting debate which might take some time—on the other hand it might not—but some of this money is quite urgently needed, in regard to the particular item we are discussing as well as the final item on the list, and if it is possible for us to proceed with this for the remainder of the day's sitting it would avoid a great deal of inconvenience for the Minister of Finance, though I would not advocate this course, naturally, on any ground other than that of the public interest.

The Deputy Chairman: In any event I feel it is essential that at this time I should vacate the chair, as I think hon. members would

agree that the committee of supply would not have authority to set aside the private bills hour.

Progress reported.

Resolution reported and concurred in.

PRIVATE BILLS

The Acting Speaker (Mr. Applewhaite): Hon. members have heard the suggestion made by the Minister of Finance. It is not my desire to influence the house. Therefore I ask whether there is unanimous consent that all items under public and private bills be considered as allowed to stand.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I believe that a bill in my name is first on the list. It was my intention to proceed with the motion for second reading of that bill during this hour, but if it is understood that if my bill stands all the others will stand too, I would be willing to let mine stand, in response to the appeal of the house leader. I trust that on future occasions he will remember this example of co-operation.

The Acting Speaker (Mr. Applewhaite): Is it agreed that there is unanimous consent that all the business under private and public bills shall be regarded as allowed to stand?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Applewhaite): There being no business for this hour, the house will revert to the consideration of the business interrupted at five o'clock.

SUPPLY

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

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

Immigration branch—

539. To provide, subject to the approval of treasury board, for transoceanic, inland transportation and other assistance for immigrants and settlers —further amount required, including authority to make advances, notwithstanding the Financial Administration Act, to the intergovernmental committee for European migration for the cost of transportation and other assistance with respect to Hungarian refugees coming to Canada, and to the provinces for the cost of caring for such refugees, $9,000,000.

Mr. Regier: Mr. Chairman, now that we have at least another few minutes I should like to make it very clear that I support fully the position taken at the special session by the group to which I belong, and that we support wholeheartedly in principle the over-all actions of the government with regard to the admission of Hungarian refugees to Canada. However, I am sure that after the passage of the intervening months even the minister would not expect opposition members to agree to everything that is proposed without at least presenting to him the opinions of the people as they are expressed to us from time to time.

When the committee rose at five o'clock I was asking whether the minister could give me some indication in his reply as to the age level and marital status of those who were coming to Canada. I should like to exempt from this request those refugees who were university students, because it is a well known fact that it was the students of Hungary who were the first of the freedom fighters, and I heartily endorse young men of that type entering our country.

We hope the action of the government on this occasion to obtain suitable immigrants for Canada will be a precedent in obtaining more of the badly needed immigrants from the British Isles. I believe most members of the house would welcome action along similar lines, maybe not at this moment but in the next year or two, to obtain an influx of desirable citizens from the United Kingdom who we understand are very anxious to come to our country in large numbers.

I should like the minister also to inform the house how many newspaper, radio and other personnel were sent to Austria at the expense of the Canadian government, and also what was the exact purpose of sending such personnel there. I endorse what the hon. member for Fort William said to the effect that most of these immigrants are Catholics, and he added that Catholics too can be very hungry. I should like to remind the hon. member for Fort William and the minister that there are millions of people in Asia, especially in India and Hong Kong, who can be very hungry too, and who have been hungry and starving for years. I understand that fully a million in Hong Kong alone are also refugees from communism. Many of them have suffered as severely as many of the refugees whom we are now welcoming to Canada, if not more so.

Then in the displaced persons' camps of West Germany there are still thousands and thousands of refugees from communism, many of whom have suffered equally. Yet in the case of those in Hong Kong, and to a lesser degree in the case of the refugees from communism now in West Germany, we seem to have to pry them past the offices of the Department of Citizenship and Immigration in order for them to be able to see the light of day in Canada. Therefore we hope that other refugees from communism will at least be given equally favourable treatment.

I know the minister made the statement that the government of France had not set any limit on the number it was permitting into that country, and later on he said that as the result of an agreement he had reached with the French government it had agreed to take a corresponding 3,000 more. I think there is a slight misunderstanding there, because if the French government has not set any limit it can hardly agree to take a further 3,000 or a corresponding 3,000 more. That is all I have to say at this time. I certainly hope the minister can clear up a few of the misunderstandings that are spreading around the country, and that have been expressed by members of various groups in the house.

Mr. Pickersgill: I shall try to be very brief so the Minister of Finance can get on with his other urgent items.

Mr. Macdonnell: Mr. Chairman, would the minister—

Mr. Pickersgill: Perhaps if I do not answer all the questions in great detail—

Mr. Macdonnell: Would the minister allow me to interrupt him to say that I have one or two questions? Perhaps the minister would rather have me ask them before he sums up?

Mr. Pickersgill: Certainly. I had not realized that the hon. gentleman had risen.

Mr. Macdonnell: I listened, like other members, with much interest to what the minister had to say, and I think I should say quite frankly that I felt there was a good deal to say for what had been done. I listened, of course, with particular interest to the triple play which he described between himself, Mrs. Pickersgill and the Minister of Fisheries. It certainly was a lucky triple play. However, in saying these things perhaps the minister will not mind if I add a word of caution from that great authority, that great philosopher W. S. Gilbert:

> But though the compliment implied
> Inflates me with legitimate pride,
> It nevertheless can't be denied
> That it has its inconvenient side.

The "inconvenient side" is that one naturally expects that the minister will be able to answer every other question and deal with every other situation with the same degree of, shall I say, lucky skill as in the case of the forestry school. I have a few questions I should like the minister to deal with when he comes to reply.

I do not think any figure has been given as to the number in actual employment. I was out of the house for a few minutes, but I do not think that question has been asked. I should also like to have a breakdown by provinces, if possible, though perhaps that is not so important. Then I should like to have a breakdown by trades.

Mr. Pickersgill: That was given.

Mr. Macdonnell: The next thing I find of interest is what is the distribution of responsibility for finding jobs as among the department, the provinces and private organizations? Then there is another thing that seems to me of considerable importance. I have heard of a case where apparently the working day of some of the immigrants was broken in two, part of it being spent in ordinary employment and part occupied in learning English. I suppose there may be cases also where there may be a certain amount of training or retraining for some special occupations required. Those are the things about which I would particularly like to know.

Yes, there is one other question. Is any estimate possible as to what further number of refugees is likely to come from Hungary to Vienna? This may be something which the minister does not care to answer at all.

Mr. Johnson (Kindersley): Before the minister replies there are one or two comments I should like to make and questions I should like to ask. First, I should like to express my appreciation of the humanitarian principle which is involved in bringing people from the tribulations of communist domination to the relative freedom of Canada. I believe the people all across Canada appreciate that. Certainly we in this group do, and we would like to see that principle extended to other groups in the world who have suffered from this same domination. If these Hungarians are being brought in on humanitarian grounds I think it would be only right to assume that the government should maintain this principle so far as refugees from Russian domination in other territories of the world are concerned.

Before I deal specifically with that, I should like to ask the minister if consideration will be given to assisting the municipalities which, within a year's time, will be charged with the responsibility of caring for any of these refugees who have not been able to find a place for themselves in Canadian life. It would appear that since the government of Canada has assumed responsibility, and rightly so, for bringing these refugees to Canada, they should continue to shoulder that responsibility rather than letting it fall on the urban and rural municipalities in which these individuals happen to take up residence.

I should like the minister to tell me if the government is giving consideration to affording fairer treatment to the refugees from

communist domination who have settled in Hong Kong. The minister mentioned that some of the Hungarians are now going to be sponsored and will be allowed to come into Canada on that basis. Perhaps the hands of the minister are tied by the platform of the Liberal party adopted in August of 1919, in which section 7 reads:

A more effective restriction of Chinese immigration.

I hope that part of government policy has been changed to one of humanitarian principles, but I doubt that this is so; because I have a case where an individual applied to bring in his adopted son, who is one of the refugees from communist aggression now in Hong Kong, but the minister's humanitarian background has failed to give any recognition to the desirability of this man bringing his remaining child to Canada. I think the minister will be familiar with some of the details. The application has been denied because the minister said it was an adopted child. Surely there are adopted children coming in from Hungary on the same basis. The principle the government has been following of allowing those to come into Canada whom they deemed would fit into the economy is a rather narrow one, especially when they take credit for humanitarian motives.

My plea is that the government be consistent, and if we are going to take credit for being humanitarian then let us prove we are humanitarian by giving consideration to some of those who are suffering the same hardships from communist aggression. It is apparent that the government that has been in office is determined to prevent these people from coming into Canada, as is indicated by their platform of 1919 which evidently is still in force.

Mr. Green: Practically all the discussion this afternoon, Mr. Chairman, has been on the subject of refugees from Hungary; but as I read this vote it is a great deal broader than that. It is not restricted to immigrants coming from that unfortunate country. I would ask the minister to explain, when he replies to the various questions that have been raised, what steps his department has taken to meet the situation which has arisen in the United Kingdom. Evidently within the last few weeks there has been a great increase in the number of applicants wishing to come to Canada from the United Kingdom. I am wondering whether the department has extended its facilities for dealing with those applicants, the way it proposes to do so, and in just what manner those who are applying would be able to benefit from this vote.

Probably the minister will have noticed that there was a very critical editorial in the *Globe and Mail*—

Mr. Pickersgill: I read them all. I have been surprised we have come this far without having this brought up.

Mr. Green: I do not know whether the facts set out in that editorial are correct, but in any event I do suggest to the minister that this is a serious situation. I hope facilities can be made available so these applicants can be dealt with promply. Perhaps the minister would answer those two questions when he is replying to the others.

Mr. Pallett: I was interested in the minister's remark that there are some bad eggs amongst the Hungarians.

Mr. Pickersgill: I said there probably would be.

Mr. Pallett: I wonder if the minister could give any information to the house concerning what his information is in that regard, as the situation stands, without probabilities. What is the factual information behind that statement, if there is any? The minister will recall, unless he was absent at the time, there were some reports in the Toronto newspapers with regard to one incident, and I wonder if he could enlighten us as to that incident and if there were other such incidents what were their results.

In replying to the questions I wonder if the minister would also give us a breakdown of the $9 million under the various headings that are shown in the vote, such as transoceanic travel, inland transportation and then "other assistance"? I wonder if he would be kind enough to break down this vote under those various headings.

Mr. Pickersgill: If I could resume, sir, where I left off when I was so courteously interrupted by the hon. member for Greenwood with his interesting questions, I shall try to deal with the questions raised in the order in which hon. members spoke. The hon. member for Kamloops, whose lukewarm support on this occasion I can regard only as the highest praise, did raise a question about whether or not there were any Hungarian dictionaries or other books of that sort. There is a book on the press which I hope will be ready in a day or two. I had hoped it would be available a little earlier.

One of the officials of the Department of Labour, who was seconded for a little while to my department by my colleague and who is himself a Hungarian Canadian and the author of a number of important scholarly works, did work out a sort of basic dictionary.

It appears there is only one printing shop in Canada properly equipped to produce it. I think they were a little congested over the Christmas period and it has taken them a little longer than they had hoped. We hope to get it and other books as quickly as possible. This is a real problem and one you cannot meet very quickly.

As far as education generally goes, of course, we have agreements with practically all the provincial governments except two—maybe it is only one—for sharing the costs of education of adult immigrants. The provincial authorities administer the schemes, and they administer them in most provinces very well indeed. That is particularly true in the province of British Columbia. I think they are working very well to meet this problem, are recognizing its urgency and are coping with it, according to the information I have, very quickly. Certainly that is the general report from most parts of the country.

I do not think the hon. member for Kamloops would mind if we put off debate on whether the refugees should be in camps for longer or shorter periods until my general estimates are before the house. I would like in time to give my reasons for following the policy we are following, but very briefly I would like to say that I spent involuntarily—perhaps that is not true; perhaps voluntarily—two weeks in the hospital, and the day I left, I was reluctant to leave and face the world—

Mr. Fulton: Perhaps it was because there was to be a session of parliament.

Mr. Pickersgill: It was the day parliament opened. Perhaps that had something to do with it. I think there is a terrible danger of people getting this sheltered mentality if they remain too long in comparative idleness in institutions. For my part I believe it is a great deal better to get these people living with Canadian families in the way we live in this country, and I think they will learn far more about the country; they will probably learn far more English far faster. I would like to go on at length on this subject, but I do not think I should.

Both the hon. member for Kamloops and the hon. member for Greenwood asked whether I could make any guess as to how many more Hungarians would come into Austria. I cannot; I do not think anybody's guess is worth very much, because we do not know what is going to happen in Hungary. Certainly the number has greatly diminished lately, and I think that is due to the more brutal policies that now appear to be followed by the regime in Hungary.

The question was also raised as to whether we should not have brought the people to Canada a little faster than we have. Perhaps it would have been possible for us to take one or two thousand more in the months of February and March than we are planning. If the taking of one or two thousand more would have solved the whole problem I think I would have urged my colleagues to do it no matter what difficulties it would have created here, but it would not have solved the whole problem or more than a fringe of it. Having regard to all the circumstances, and having regard to the effort we were making, I felt that since it would not have solved the problem it was better to make these staging arrangements.

I think that with respect to the points raised by the hon. member for Cape Breton South, I have said as much as I need to say. I do not think our real differences are anything like as great as our apparent differences.

I should like once again to thank the hon. member for Red Deer for the very pleasant things he said about my department. In so far as this movement of Hungarians is concerned, they are deserved. These public servants have worked terribly hard. It is not easy to get trained people quickly to handle a greatly increased number of immigrants; and officials must have a certain amount of training if it is to be done at all efficiently. The result was that all of them worked overtime; they gave up practically all of their holidays, and they are still working very hard indeed, both in Europe and all over Canada, and I appreciate what the hon. gentleman said about their service.

I gave the figures a little while ago for the distribution of the Hungarians across the country, and they will appear in *Hansard*. I gave figures for the ages and the marital status and the breakdown of occupations. I did not read them out, but they will appear in *Hansard*. The hon. member for Fort William said some very kind things about the local committees in Fort William, and I would like to echo what he said about all these local committees all over this country.

The hon. member for Kamloops said he felt there was not enough co-ordination at the top. I do not think I made myself clear. I do not think we should try to dictate how these things are to be done. We are trying, with our local officials, to do everything we can to co-operate with all those who are interested, and to give all the guidance we are asked to give; but we are not trying to push people around or to boss them unduly. That was really the point I was trying to make. I perhaps did it rather clumsily.

The hon. member for Oxford asked me whether I would elaborate on the movement

of students. I am glad he did, because it gives me an opportunity to express again my great appreciation to the president of the University of Toronto and to a group of businessmen in Toronto who really made the most magnificent arrangements for the reception of this group of students, and I think the whole country should be grateful for what they are doing. I should like to repeat that there is this other group of 100 students who are in Montreal. I hope similar arrangements, perhaps on a less elaborate scale, will be made by interested individuals and corporations and universities, of course, for them.

The hon. member for Oxford raised the question of refunding the transportation expenses of people who had brought out their own relatives. What I said in the house, I am sure all hon. members will recall, was that we intended to cancel the assisted passage loans that had been given up to that time. That was all I said here, and I did not feel it would be proper for us to go beyond what I said here. We will look at these cases. Of course I do not think any case could have arisen after the day I made that statement, so that any of these cases where people borrowed money to pay these passages would have occurred before the policy was adopted; but if there does seem to be real hardship I will give consideration to what it would be proper for me to ask the taxpayers of Canada generally to do. But it would be quite a sharp departure from anything we have done before to suggest paying people for something they had already decided to do as a matter of family obligation.

The hon. member for Nicolet-Yamaska asked me how many of these Hungarians were under the age of nine years. I am afraid I could not answer that offhand. I will try to get the information and give it to him privately. If he refers to children who are not accompanied by their parents the number would be very, very small indeed. I understand the Red Cross have established a tracing service and they are trying to trace information about people who are separated from other members of their families, for the reason given by the hon. gentleman and for other reasons as well.

The hon. member for Kootenay West raised some questions, most of which I think I dealt with immediately after he raised them, but there was one about asking these people to repay the passage money. Having announced here that the passage was to be free I do not think we could very well go back on that policy, but I do say this. I have had one or two letters from Hungarians, one very touching, and if it were not so late in the day I would read it. These Hungarians received free passages, and are now voluntarily paying the money back. I do think if those who get good jobs quickly—and some of them are getting very good jobs quickly after they come here—would make a gesture of that kind it would make a very good impression on the Canadian people generally, and would help a great deal to make movements of this kind more acceptable.

A great many of these people, in fact practically all of them, came here with nothing except the clothes they were wearing. During the next few years many of them will have a much more difficult time in establishing themselves than would ordinary immigrants who bring something with them. I think that is and can be the only defence of our policy, and it is the only reason this free transportation is being provided for these people and not for others.

I echo what the hon. member for Brandon-Souris said about the committee in Brandon. Outside of being a Newfoundlander, I suppose I am a Manitoban next—

Mr. Harkness: You sound pretty fishy now, all right.

Mr. Pickersgill: —and I must say that nowhere have the Hungarian refugees been received better than in Manitoba. In proportion to population a larger number have gone to Manitoba than to any other province.

I dealt with the question of the immigrants constituting a burden on the municipalities in a press release right after I came home. There is no burden on the municipalities for relief during the first year or for medical expenses for indigents.

The hon. member for Burnaby-Coquitlam asked how many of the refugees had been fighters. I do not think we can answer that question precisely. I would imagine that it would certainly not be more than one-third of them, because quite a large number are women and children. Nevertheless a good number actually were fighters, including a large number of the students. I think the reason there are so many single young men is that these are the people, especially the key men, who expected that if they stayed in Hungary they would be deported to Siberia. That is one reason there is a rather large proportion of young men, and another reason is that many of these people had to walk 20 or 30 miles to reach the border of Austria. There were not many widows, aged persons and unaccompanied children, and there are practically no orphans.

The hon. member for Greenwood asked if I could say what number are in actual employment. I am afraid I cannot tell him at this time. A great many of these people

have come, if not to sponsors, to friends. I would like to say a word of special appreciation here for the efforts of the Hungarian Canadians. Everywhere in the country they have done and are doing a wonderful job in assisting us to receive these Hungarian refugees. I am sure they are going to make it much easier for these people to adapt themselves quickly to this country.

I interpose that comment because a great many of these refugees go to stay with Hungarian families immediately upon their arrival in Canada. They are being looked after by them, and it is going to take a considerable time before we will know how many of them are in actual employment and how many are not. I could probably get a figure concerning the number who were placed through the employment service or my department, but I could not possibly give a figure that would be at all accurate as to the total number who would be employed at the present time.

The hon. member for Kindersley asked whether any provision was going to be made for the burden that might fall on the municipalities after one year. I think the answer to that question is definitely no. It seems to me that if we are going to have an immigration policy in this country we must bear in mind that we are bringing these people here with a view to their becoming Canadian citizens, and they should be treated like other Canadian citizens. In most localities they cannot qualify for welfare services until after the first year, at which time they can and should qualify just like anybody else in this country, unless we are going to discriminate against one group of residents.

The hon. member for Vancouver-Quadra said this vote was not restricted to Hungarians. That is quite true, though all the additional money we are requesting is required because of the Hungarian movement. He did ask me something about the situation in the United Kingdom and what is being done about it. I did say something about that, possibly at a time when the hon. gentleman was unavoidably absent from the chamber, but perhaps I could repeat my remarks.

Mr. Green: I have been here all afternoon.

Mr. Pickersgill: Perhaps I should repeat that as early as last August my department anticipated the need for additional shipping and other forms of transport for the larger movement of immigrants we expected this year, and at the present time we are in active negotiation for a large amount of additional transport. There is no trouble at the present time concerning British immigrants or any others getting transportation to come to Canada, but there probably will be after the first of April. The ships are not completely booked at the present time, but after the first of April commercial accommodation is not going to be adequate, and we are now taking active steps to get as much transport as we can.

Mr. Green: I think the minister misunderstood my question. I was referring to the departmental set-up abroad; for example, in London. I should like to know what is being done to meet the criticism that appeared in the editorial in the *Globe and Mail* to which I referred.

Mr. Pickersgill: I have seen the editorials which dealt with transportation, as well as the one to which the hon. gentleman referred. As far as accommodation in London is concerned, it is quite true that when you have an office staff of a size geared to look after from 500 to 700 applicants a day and applicants start coming at the rate of 3,000 a day, as they were when I was in London in December, and as they have been all the time since except on holidays, it is just not possible to deal with everyone who applies on the day he appears. I do not believe anything very serious is lost over this, because the applications are caught up with in a relatively short time, and appointments are made for a later period for those who indicate that in any case they do not intend to come to Canada until several months hence. According to the information that has been given to me, all those who have planned to come to Canada immediately are being dealt with.

We are securing additional accommodation in London. We have opened a new office in Bristol and have increased our accommodation in Glasgow, and are pressing into service just as many officers as we can who are capable of doing the work. I think the problem will be adequately dealt with.

The hon. member for Peel asked me what I knew about "bad eggs". I know nothing at all about the subject, but I am sure that when you bring 10,000 people to a country, as we have already done, without having the time to look them over carefully in the way we try to do with immigrants generally, I do not care what group of 10,000 people you take, you are going to have some who are not going to turn out well.

I do not know very much concerning the details of the incident in Toronto. I read the newspaper accounts and I understand an investigation has been carried out. I have not yet seen the final report of the investigation, but it was quite properly carried out

by the provincial authorities, since it happened in a shelter established by them. It is the only incident about which I have heard.

As to the breakdown of the vote, I have here an approximation, and I hope it will be understood that we do not feel bound to spend it in exactly this way. It is estimated that approximately $2,800,000 will be required for inland transportation in overseas countries to the point of embarkation and for transoceanic transportation, including the costs connected with the removal, embarkation and debarkation of refugees. There is an estimate of approximately $700,000 for inland transportation in Canada. There is also an amount for maintenance, clothing and other expenses incidental to the movement and establishment of Hungarian refugees, including emergency assistance as and when required during the first year in Canada. That is the amount that is expected to be required up to the end of the fiscal year, approximately $390,000.

Then there is an advance of $4,750,000 to the inter-governmental committee on European migration in prepayment of passages over the period. We do not think this is very accurate. It is probably the minimum we expect to need. Then there is an advance of about $300,000 to be paid partly to provincial institutions and to other voluntary organizations for welfare and other assistance and incidental expenses.

Mr. Fulton: There is one part of the question I asked which I am sure the minister has overlooked inadvertently. I asked if anyone had made any estimate of the total number that might go to Austria. I can understand his answer and am satisfied that perhaps that is not possible. I asked him if it had been possible to make an estimate of the number who might be coming to Canada. Perhaps that could be considered in two ways. First, how many more is it presently envisaged will come if the stream continues to taper off, as it is now doing? Second, has the department made any assessment of the number that it would be feasible for us to take as a result of this refugee movement?

Mr. Pickersgill: I do not think it would be very sensible for me to attempt to give any estimate. I have given the committee all our commitments, and I think the hon. gentleman has said they add up to something like 27,000 or 28,000. I would certainly anticipate that there would be that number, and that that would be the minimum. How many more it may be possible to take or how many more may want to come by the time it would be possible to arrange it will depend upon a great many factors that are still in doubt, including the question of the shortness of transport which we are bound to face in the summer months. I am quite sure that any estimate I made now would be wrong, and I do not think there would be much profit in making it.

Mr. Fulton: A related question. The minister has said that as of now no visas had been issued to those who had left Austria and gone to other European countries and the United Kingdom, and that these would not be issued until the flow of those wishing to come directly from Austria had been dealt with, except for sponsored cases. I take it that after the number of refugees coming from Austria has been reduced to manageable proportions, shall we say, visas may then be given to Hungarian refugees who are in other European countries. I should like to know whether that is correct.

In order that we and they may both understand the situation, may I ask if the same arrangement for the payment of passages would apply to those who would then be coming not from Austria but from some other country, which would be considered an intermediate stage in their movement?

Mr. Pickersgill: I think all these things should be considered in due course. As far as the 10,000 for whom arrangements have been made with three countries are concerned, their passages will of course be paid. That will also be true of any sponsored cases there may be in any of those European countries. Beyond that, until arrangements are made for other movements I really do not think it would be prudent for me, without consultation with my colleagues, to make any commitments at this stage.

Mr. Barnett: Most of the questions I had intended to ask have been asked already, but there is one specific matter about which I should like to inquire. The suggestion has been made that the Budapest opera company might come to Canada as a group, somewhat as the forestry faculty did, to which reference was made earlier in the discussion. Has the minister any information he could give the committee on that?

Mr. Pickersgill: There were about 1,300 people in the Budapest opera company, and about 200 of those people left Hungary. I imagine that among those would be the more distinguished members of the company. About 100 went almost immediately to other European countries. One or two came to Canada, having relatives in metropolitan Toronto. Some of the group went back to Hungary. Nearly all have gone to one place or another.

Some of them may come to Canada as individuals, but I do not think their coming as a group was ever a serious prospect.

Mr. Macdonnell: The minister overlooked two of my questions. I was disappointed that the minister was not able to give a figure as to the number in employment, but I appreciate the difficulties which he pointed out. However, my other two questions I think can be answered. First, I asked the minister a question which I think is of some importance, as to the division of responsibility between the federal and provincial authorities in the finding of employment. Then I asked if there was a plan with regard to giving instruction in English and other necessary things, and whether in fact it is already in effect, to the extent that immigrants are working part of the day in industry and spending another part of the day in obtaining instructions.

Mr. Pickersgill: As far as the last question is concerned, I understand that in nearly all cases once these people get employment classes are carried on at night. That is the normal procedure, in order that they may get on with their jobs right away. I dare say there are some who are not employed who may be attending classes in the day time. These classes are all handled by the provincial or local authorities, and I must say that I have not all the details at my fingertips.

The responsibility for finding employment for immigrants is the responsibility of my department. We get the greatest co-operation from the national employment service. It has always been felt that the first placement should be looked after by my department. We have the responsibility of bringing these people here, and it is thought it will make us more responsible about how many we bring.

There is another reason. I think it would be very bad for morale if we had immigrants lining up at employment offices. The employment service does keep us acquainted with vacancies they are not able to fill from their regular lists. They are most co-operative. We have also had excellent co-operation from the provincial governments, but they have no responsibility in the matter.

Mr. Pallett: In giving me the breakdown of the cost the minister gave the figures for inland, transoceanic and Canadian travel, but he then seemed to repeat by giving the amount covering prepayments for travel.

Mr. Pickersgill: The first amount would be spent before the end of the fiscal year, but the other amount covers prepayment for movements after the end of the fiscal year that are presently anticipated.

[Mr. Pickersgill.]

Mr. Nesbitt: In view of the minister's answer to one of my questions regarding people who have been misled by certain press reports as to what the minister had actually said, I am glad to know that the minister is willing to give instructions that consideration would be given to those cases where people advanced money to friends or to close relatives in order that they might get away from Austria and come to Canada. I think it is most commendable for the minister to have done that.

Item agreed to.

DEPARTMENT OF FINANCE

Payments to municipalities—

540. Grants to municipalities in lieu of taxes on federal properties—Further amount required including authority to make grants under the Municipal Grants Act to the municipalities of Winnipeg, St. James, Edmonton and Vancouver in respect of certain buildings therein notwithstanding that such buildings are located on lands leased by the crown, $2,024,000.

Mr. Knowles: Would the minister care to give a breakdown of this amount among the four cities named in the item?

Mr. Harris: The breakdown is not complete, for reasons I will come to in a moment. The anticipated expenditure is as follows: Ottawa, $650,000; North York, Ontario, $150,000; Hull, Quebec, $250,000; Halifax, N.S. $150,000; special authority with respect to Winnipeg, St. James, Edmonton and Vancouver, where certain federal properties are on leased lands, $197,000; Calgary, $50,000, and various other centres, $577,000.

Mr. Knowles: Perhaps the minister would like to relate that answer more clearly to the item before us. The item refers to $2,024,000 in respect of Winnipeg, St. James, Edmonton and Vancouver—

Mr. Harris: No, Mr. Chairman, the item refers to grants under the Municipal Grants Act. The reference to Winnipeg, St. James, Edmonton and Vancouver arises from the fact that in these particular cases the federal properties are situated on non-federal land which did not qualify under the existing provisions of the Municipal Grants Act. We are voting it in this manner to make the position statutory.

Mr. Green: What is the basis for the payments in Vancouver? Is the crown paying the full tax, as though the property were occupied by a private firm?

Mr. Harris: The basis for these payments is the existing basis under the 1956-57 statutory provision. The suggested change in the speech from the throne will not be translated into legislation until later in the session.

These are payments on the present basis. In the case of Vancouver the building involved is, I think, a federal building owned by the university; a building which, because it is sited on university property, does not presently qualify.

Mr. Green: The university is not in the city; it cannot be that. The university is on provincial land. Can the minister tell us what buildings in Vancouver are affected?

Mr. Harris: Not at the moment. There is quite a long list, as I recall. This is intended to provide additional funds because municipal corporations, including Vancouver, had put in applications for considerably more than we expected would be the case, and that is why we are short $2 million. In the case of the cities mentioned we are making grants on a basis which has not up to the present been contemplated or provided for in the statute.

Mr. Green: I presume these will be occasions when buildings are owned by some private individuals and leased to the crown.

Mr. Harris: That is correct.

Mr. Green: Will these payments, then, be of benefit to the city or to the owner of the property? Will they relieve the owner of the property of paying that much in municipal taxes? I should like to have the names of the buildings in Vancouver to which this applies.

Mr. Harris: I will give that information to the hon. member, but I can assure him that the benefit will accrue to the municipal corporation and not to the lessor.

Mr. Barnett: I am puzzled by the reference the Minister of Finance has made to a building located on property belonging to the University of British Columbia—

Mr. Harris: Perhaps what you understood me to say was that because these buildings are not situated on federally owned property they are not covered by the present provisions of the act, and this is a way of covering them so that grants can be made in respect of them to municipal corporations.

Mr. Green: Are they buildings on which taxes are not being paid now by the private owners?

Mr. Harris: These, as I understand it, are buildings that are on property leased to the federal government, I thought by the university, but if the hon. member from Vancouver-Quadra corrects me I must admit I am wrong. At any rate, I think it is provincial or university property which is not taxable by the municipal corporation. Therefore we are taking this way of making it subject to our generosity, if you like to call it that, under the Municipal Grants Act.

Mr. Macdonnell: Is there anything in the situation that did not exist before? Were these buildings formerly not owned by the government? The change that has taken place I understand is a change in the percentage that has been applied. This seems to be a change affecting certain buildings.

Mr. Harris: The change that has been made is this. We have decided to pay with regard to certain buildings in these particular cities, on which up to the moment we have not paid. There is no change with regard to the character of the buildings or the leasehold property. It was decided we ought to pay on these particular buildings, and we are asking parliament for authority to do so.

Mr. Pallett: A series of other municipalities have been mentioned. Is this additional payment a payment on new construction, or does it represent extra grants on previous submissions by municipalities?

Mr. Harris: As I said, the number of applications from our municipal corporations has grown; there were a great many more than we had anticipated, and the sum of half a million dollars which I referred to covers a number of municipal corporations in regard to which we had no idea we might have to make grants. In other cases the grants are for greater sums of money, with the result that the estimate I placed before parliament last spring has proved inadequate. I have not with me the long list of all the additional corporations that would be covered; I think I gave information about that in the spring when the amendment was put through, but I can assure members of this committee that the amount of money we have had to pay in the meantime has surprised us.

Mr. Macdonnell: Is this a case where the conscience of the department has become more active than it was before, and they therefore feel they should pay on leased premises?

Mr. Harris: As a Baptist to a Presbyterian I suggest we should not discuss consciences, because sometimes we do not agree.

Item agreed to.

University grants—

541. To authorize payments to the national conference of Canadian universities (hereinafter called "the conference") for the purpose of making grants to institutions of higher learning in accordance with an agreement entered into or to be entered into, with the approval of the governor in council, between the Minister of Finance and the conference, such agreement to include, inter alia, provision that the total amount of grants to all the institutions of higher learning in any one province be calculated by multiplying the population of the province by $1, and that any amount payable to

an institution of higher learning and not paid by the conference in the present fiscal year may be retained by the conference until such time as the institution to which the money is payable claims the payment from the conference or parliament provides otherwise for the disposal thereof; the amount appropriated under vote 132 of the Appropriation Act No. 6, 1956 to be applied to the purposes of this vote; additional amount required, $7,986,000.

Mr. Macdonnell: Mr. Chairman, there is a situation here which I do not fully understand.

Mr. Nowlan: Six o'clock.

Some hon. Members: Six o'clock.

Item stands.

Progress reported.

Resolutions reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Harris: Monday, of course, is private members' day, and I would not suggest that we would not take the full day. On the other hand, on one previous occasion we found that we did not and I had not announced government business. Therefore on Monday, should private members' business be exhausted and government orders reached, we shall proceed with the Canada Council legislation and the Canadian wheat board bill. On Tuesday we shall take the same legislation, together with the other items on the order paper, and on Wednesday the same. On Thursday, which is private members' day again, we shall follow the same procedure.

Mr. Nowlan: Dissolve on Friday.

Mr. Fulton: What about these supplementary estimates?

Mr. Harris: We will have to reach them by Friday next. Frankly I had hoped we could pass them today. I hope my last remark, Mr. Speaker, did not indicate a lack of thanks for the co-operation I have had in the last hour.

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

ANSWERS TO QUESTIONS

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

ROCKY MOUNTAIN EAST SLOPE CONSERVATION BOARD

Question No. 38—**Mr. Hansell:**

1. What are the functions of the Rocky mountain east slope conservation board?
2. Who are its members, and how often did they meet in 1956?

Answer by: **Hon. Jean Lesage (Minister of Northern Affairs and National Resources):**

1. The functions of the eastern Rockies forest conservation board are set out in the agreement of June 19, 1947, between the governments of Canada and the province of Alberta. The agreement states: "the purpose and function of the board shall be to plan, advise on, direct and supervise and carry out as herein provided:

(a) the construction, operation and maintenance of all projects and facilities required for the proper protection of the forests of that area of the east slope of the Rocky mountains, forming part of the watershed of the Saskatchewan river, as more definitely described in the appendix hereto annexed;

(b) the protection of the forests in such area from fire, insects, disease and any other damage;

(c) the conservation, development, maintenance and management of the forests in such area with a view to obtaining the greatest possible flow of water in the Saskatchewan river and its tributaries".

The agreement was approved and confirmed by the Eastern Rocky Mountain Forest Conservation Act, chapter 59, II George VI, which received royal assent on July 17, 1947. An amendment to the act in 1952 did not change the general functions of the board.

2. (a) Major General Howard Kennedy, chairman and federal member.

Mr. H. G. Jensen, Alberta provincial government, provincial member.

Mr. A. T. Baker, Alberta wheat pool, provincial member.

Mr. J. LeRoy McLenahan, alternate federal member for Major General Howard Kennedy.

(b) Four meetings were held in 1956.

FLOUR IMPORTS FROM UNITED STATES

Question No. 39—**Mr. Hansell:**

1. How much flour was imported into Canada from the United States in 1955 and 1956 respectively?
2. What particular kinds of flour were imported?
3. Was any duty paid on these imports? If so, what was the rate of duty?
4. Were these particular kinds of flour unobtainable from Canadian sources?

Answer by: **Hon. Roch Pinard (Secretary of State):**

1. Imports of flour from the United States, calendar year 1955 and period January 1 to September 30, 1956 (latest figures available).

	Calendar year 1955	January 1-September 30, 1956
	—cwt—	
Malt flour	5,073	4,221
Rye flour	1,192	1,162
Wheat flour	4,273	4,548

2. Information not available other than that shown in answer to No. 1 above.

3. Yes.

Buckwheat flour—tariff item 50, 45 cents per 100 pounds.

Malt flour—containing less than 50 per centum in weight of malt, tariff item 168, 25 per cent and 5 cents per pound; otherwise, tariff item 167a, ½ cent per pound.

Rye flour—tariff item 59, 45 cents per barrel.

Wheat flour—tariff item 61, 50 cents per barrel.

4. Information not available.

FISHING DRAGGER SUBSIDY

Question No. 62—**Mr. Kickham:**

1. To how many fishing draggers has the $165 per ton subsidy been awarded by the Department of Fisheries?
2. What was the approximate total new value of these draggers?

Answer by: **Mr. MacNaught, Parliamentary Assistant, for the Minister of Fisheries:**

1. 121. 2. $4,230,000.

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

DEPARTMENT OF AGRICULTURE

Terminable services—

538. Freight assistance on western feed grains—further amount required, $2,000,000.

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

A—Department—
Immigration branch—

539. To provide, subject to the approval of treasury board, for transoceanic, inland transportation and other assistance for immigrants and settlers—further amount required, including authority to make advances, notwithstanding the Financial Administration Act, to the intergovernmental committee for European migration for the cost of transportation and other assistance with respect to Hungarian refugees coming to Canada, and to the provinces for the cost of caring for such refugees, $9,000,000.

DEPARTMENT OF FINANCE

Payments to municipalities—

540. Grants to municipalities in lieu of taxes on federal properties—further amount required including authority to make grants under the Municipal Grants Act to the municipalities of Winnipeg, St. James, Edmonton and Vancouver in respect of certain buildings therein notwithstanding that such buildings are located on lands leased by the crown, $2,024,000.

HOUSE OF COMMONS

Monday, January 28, 1957

The house met at 2.30 p.m.

MUNICIPAL GRANTS ACT

AMENDMENTS TO EXTEND BENEFITS AND PROVIDE CHANGES IN ADMINISTRATION

Hon. W. E. Harris (Minister of Finance) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to bring in a measure to extend the benefits of the Municipal Grants Act and to provide for certain changes in connection with the administration of the act.

Motion agreed to.

PRAIRIE FARM ASSISTANCE ACT

AMENDMENTS TO INCREASE AUTHORIZED AWARDS AND LEVY

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

That it is expedient to introduce a measure to amend the Prairie Farm Assistance Act to increase the awards and the levy authorized by the act.

Motion agreed to.

MOTIONS FOR PAPERS

EXCHEQUER COURT JUDGMENTS

Motion No. 1—**Mr. Knowles:**

For a copy of the judgment of the Exchequer Court of Canada in case No. 73805 between the Minister of National Revenue, appellant, and the Publishers' Guild of Canada Limited, respondent; and also a copy of the judgment of the Exchequer Court of Canada in case No. 78533 between the Publishers' Guild of Canada Limited, appellant, and the Minister of National Revenue, respondent.

DEAS ISLAND TUNNEL, B.C.

Motion No. 3—**Mr. Goode:**

For a copy of all correspondence exchanged between the provincial government of British Columbia, the New Westminster harbour board and the federal government, in 1956 and 1957, regarding an alleged cessation of planning and actual work on the Deas island tunnel across the main channel of the Fraser river.

Hon. James Sinclair (Minister of Fisheries): I wonder if the hon. member would permit this to stand until the Minister of Public Works returns to the house.

Mr. Goode: Agreed.

Motion stands.

BANK OF CANADA MONETARY POLICIES—NEW BRUNSWICK

Motion No. 5—**Mr. Bell:**

For a copy of all correspondence exchanged between the provincial government of New Brunswick and the federal government, in October and November, 1956, regarding the monetary policies of the Bank of Canada and their effect on the economy of the province of New Brunswick.

Right Hon. L. S. St. Laurent (Prime Minister): When I noticed in *Votes and Proceedings* the announcement of the hon. gentleman's intention to ask for these papers I communicated at once with the premier of New Brunswick. I have had an answer from him that he has no objection, so I do not need to make the usual reservation.

Motion agreed to.

BROADCAST "PORTRAIT OF SIR WILFRID LAURIER"

Motion No. 6—**Mr. Fraser (Peterborough):**

For a copy of the broadcast "Portrait of Sir Wilfrid Laurier," given over CBC Wednesday evening, January 23, 1957, between 9.30 p.m. and 10 p.m.

INCOME TAX ACT

FINAL RECEIPTS FOR THOSE WITH INCOMES OF $10,000 OR LESS

Mr. H. O. White (Middlesex East) moved:

That, in the opinion of this house, the government should consider the advisability of amending the Income Tax Act and regulations made under the act, so as to provide a final receipt for those income tax returns filed for the preceding calendar year for individuals whose income is $10,000 or less.

He said: Mr. Speaker, this problem was discussed a year ago but with respect to the resolution I had on the order paper at that time there was some question as to whether it would be ruled out of order by Your Honour, and so I took advantage of the bill introduced by the hon. member for Kamloops (Mr. Fulton) and made some remarks at that time concerning my opinion as to how the changes in the Income Tax Act might apply. Having revised the resolution appearing on the order paper in the meantime, I welcome this opportunity to present to hon. members some of the arguments which I feel are good and valid reasons for some changes and amendments to the Income Tax Act as they apply to those taxpayers whose incomes are not in the high or extra high brackets.

Income Tax Act

One of the first objects that I have heard has always been, "Well, you are drawing a distinction between those who are in receipt of an income of $10,000 and those who are below that figure". I hasten right here to point out that the government now draws a line between various categories or groups of taxpayers, and those in the higher income tax bracket pay a greater percentage of tax. Therefore, to provide for those taxpayers in the lower income group a final settlement 12 months after the 30th day of April in each tax year would not be so difficult. It would not be difficult also because of the fact that, as I understand it, where fraud is charged the income tax department can take almost any number of years and bring the taxpayer before the courts of the land. Therefore, I cannot see that it would be too difficult to administer.

I, therefore, make no apologies, Mr. Speaker, for bringing this matter to the attention of the house and taking up some of the time of the house to present my views, and I think they are the views of a large number of Canadian citizens.

If we believe in democracy—and I think we all do—we acknowledge it is government by the people and for the people not government by a ruling class. Consequently, I think if a poll were taken the vast majority of taxpayers would be in favour of some amendment to the act which would let them know when they were finished with one year's business. At this moment I should also like to mention that I doubt whether there are over 5 per cent of the income tax payers in the bracket which I have mentioned whose income could not be revised either way.

As I said on another occasion, if my income tax return or that of any other hon. member or individual taxpayer was submitted to ten different officials or assessors of the income tax branch those gentlemen would come up with ten different answers or maybe 20 if you went back a second time. Consequently I think the time is long past due when some method should be established by which a definite and correct conclusion could be reached. I do not think this would be difficult because it seems to me that any qualified efficiency firm or accounting firm could set up a system to administer the act more speedily and satisfactorily. While I am mentioning these things I might point out that there are many harassed taxpayers who have worried themselves into a premature grave over the problem of income tax. As I said last year, I hold no brief for those persons who deliberately set out to defraud the income tax branch and consequently the Canadian people of what is their just payment under the law. I also want to point out that in my opinion the vast majority of Canadians are law abiding citizens regardless of what the income tax people may think about this.

I plan to appeal to the reason of both the Minister of Finance and the Minister of National Revenue. I doubt if we depart from the British system of justice whereunder the accused is innocent until he is proven guilty in any other legal procedure, but people being prosecuted by the income tax branch are considered guilty until they have proved themselves innocent.

As I mentioned previously, I am not alone in bringing to the attention of the government the problems confronting individual taxpayers because many individuals and groups are expressing concern in this regard. I have on my files hundreds of letters from taxpayers in Ontario who have written to me protesting the present system under which they are never certain just where they stand with the income tax branch. In order to point out how widespread is this concern, there are many county councils which have passed resolutions along this line. I am going to refer to just a few of the counties near my constituency. These include Elgin, Huron and Perth, Lanark, Grey and Halton, Bruce, Lincoln, Oxford and Waterloo, Brant-Haldimand, Middlesex and Lambton. There are some others, but at the moment I do not have their resolutions on file. In addition to that many chambers of commerce have protested the present set-up as well as the federation of agriculture, the farmers' union and various women's institutes. I want to mention particularly two groups of women's institutes in Essex, the Malden Women's Institute and the Women's Institute of Essex County. They have both written to me backing up what I had to say a year ago and expressing the hope that some satisfactory solution can be found for the problem.

There have been many editorials and newspaper comments supporting the stand I took, and I should like to refer the government to a couple of clippings which I have and which I think are most pertinent to the problem. We all realize that the government has grown and now reaches into the private life of practically every individual in Canada. History has a habit of repeating itself. I have here a front page editorial which appeared in the Toronto *Saturday Night* of September 4, 1954. This was commenting upon what had gone on in Great Britain during and at the close of the war, with particular reference to ministerial responsibility to parliament. They were referring to an incident concerning the taking over of a 700-acre farm in Great Britain and what they

say has a bearing on the understanding which the provinces had when they relinquished their taxation rights at the beginning of the war. The resignation of a particular minister in Great Britain had been called for, and the editorial went on to say:

> There was a time when such a resignation would have excited little comment; it would have been expected as the only possible course for a minister who had failed to keep his department in good order. But there was surprised and respectful applause for Sir Thomas Dugdale; he had actually admitted that a minister is responsible for the conduct of the civil servants under his direction. In other words, the principle of responsibility has been so generally ignored that any recognition of it by the members or minions of government comes as a distinct shock.
>
> Canadians have had many opportunities in recent years to study the growing disinclination of both federal and provincial cabinet ministers to accept responsibility for the sins of their departments, and considering the complacency with which this ministerial attitude has been accepted, they are likely to see a good deal more of it. There will be no change until they understand that this sort of thing can only mean government not by elected representatives but by an uncontrolled civil service.
>
> When ministers refuse to share the blame for waste, inefficiency and worse in their departments, they are admitting that the job of government has grown too big for them; they are claiming, in effect, that while they should still be trusted with the direction of the nation's business, they should not be expected to worry about the people they have hired for the day-to-day handling of that business. If we condone this attitude, we must be prepared to accept the inevitable result: the end of our control, as electors, over the way we are to be governed.

I commend to the government a second reading of that editorial in their leisure time because it does indicate the drift that is going on in this country toward a certain amount of bureaucracy. Another clipping along the same line rather intrigued me. It reads:

> History Repeats Itself
>
> Twenty centuries ago, and thereafter for four hundred years, the Romans ruled Britain without interfering in the private lives of the people. The Roman government attended to its own affairs and allowed the people to attend to theirs. Indeed, as Douglas Jerrold points out in his book "England; Past, Present and Future" it was from the Roman empire that the western world learned the art and purpose of government and the application of the rule or law to the preservation of the lives of free men living in ordered and mutually dependent societies.

However, as I have mentioned before, we see the various departments of government reaching out and trying to control the private lives of individuals from day to day, and it cannot in the end, in my estimation, lead to anything but disaster. For this reason I am asking the department to consider and review its attitude as it applies to the income tax payer in this country. The present attitude is, I believe, having a somewhat disastrous effect, but, no doubt because of the ever-increasing degree of inflation, that effect is not as apparent as it might be in other circumstances. Nevertheless, it is certainly discouraging production and, in a sense, it is penalizing the very people who form the productive element in our nation. When you take in—as I am doing here—that group of people whose net income is less than $10,000 a year, you are covering the vast majority of the productive enterprises of this country.

Some people are saying "I am not going to work for the government any more; I am just going to make a living out of my land or business. I am not going to hire a lot of help in order to make a few dollars. If I should lose, it would be 'just too bad'; if I win, the government will only take it from me and wonder why I did not make any more". Consequently, every small businessman, every self-employed individual and every working man who engages in part-time work has begun to question the results of his efforts as far as his income tax commitment is concerned. They are wondering: "If we do some overtime or put in some extra work for ourselves, will all we have gained be confiscated?" The net result of this situation is that we are in a sense, rewarding the non-productive and punishing those who are productive in our economy.

That is not the whole story either, Mr. Speaker. There is the fear in the minds of many people that sooner or later they will be "hauled on the carpet" and have their business transactions for years past—possibly over the past 15 or 20 years—made subject to review. We in the western world, have been told about the terror in totalitarian countries where the gestapo comes knocking on the door in the night. That is held up as one of the things to be feared in a totalitarian world. Well, the income tax department does not even wait until night before they knock on the door—they come in at any time, represented, in many cases, by a little man with a lot of authority. Yes, I am "sticking my neck out" a long way, as I mentioned earlier. The department seizes your books and seizes your assets, and you are presumably guilty until you are proven innocent. I know whereof I speak. I do not plan, Mr. Speaker, to bring to your attention four individual cases with which I am very familiar, but I will mention two of these cases involving estates. The people concerned were told that they owed the department a sizeable sum of money, and the heirs and the legal firms representing them were afraid to fight the case. Accordingly, they paid. It almost reached a point where it amounted to blackmail rather than the administration of the law.

In a couple of other cases in which the people appealed, when they said they were going to take the matter to the income tax appeal board, some time later one of the officials appeared and said, "We have reviewed this whole case; there are some mistakes; we are sorry but there is an error; forget all about it." If those people had paid the amount demanded, it would have been an admission that they were wrong. I am willing to bet that there are many cases in which the people, rather than fight, pay the amount demanded but do not owe the department at all.

Many of these taxpayers—good, law-abiding citizens—are finding that the department are autocratic and overbearing in their approach to the taxpayer. In fact, a good friend of mine retired years ago and went to Devon, England. In England during the war all kinds of restrictions were placed on individuals, as was done here, as we know, through the wartime prices and trade board. I well remember a letter he wrote to me and in which he said, "The government of Britain are making a crook out of every honest Englishman." I venture to say that the income tax department here, through their methods, are making crooks out of many otherwise honest people. I do not know whether I should use the word "warn", but at any rate I think I should tell the department that there is a rising tide of resentment against the department and the methods that are used in collecting what they allege are amounts owing.

I mentioned the small businessman. I want to point out that agriculture is not the only industry affected. Practically all small business across the country is affected. Those large corporations and companies doing a big business have their accounting systems set up; they have men who watch every angle of taxation so as to save as much as they possibly can in every financial move they make. But the smaller income tax payer is not able to hire that expert advice and opinion and consequently he must take his chances. Labour are watching closely so that in the overtime work they do, and by means of which they may contribute to the economy of the country, they are not penalized. They watch their overtime and pay close attention to it. In many cases lawyers advise their clients to settle rather than to fight the department because they figure that if they go to court and fight the matter or antagonize the department, the department will just clamp down on the law firm as well. Consequently they hesitate to take on these accounts.

I know of one particular case in which a certain individual was taking care of accounts for several clients. As soon as that individual died the accounts of every client of his immediately came under surveillance, and they had not anyone to fight their battle. They had expected that this particular individual knew all about their business and could fight the case for them. As soon as he had passed on, there was no one left to fight the battle. Consequently many of them were taken for either large or small sums. I think this is a terrible state of affairs.

Then there are many people who go to the income tax department for advice. But according to what has happened in the courts and in the appeal boards, that is not the place to go for advice.

I hold in my hand a couple of clippings from newspapers, and the heading on one item is, "You take Official Tax Advice at Own Peril". This clipping is from the Ottawa *Journal* of February 21, 1955 and says that the oral or written statements and opinions of assessors and others when dealing with taxpayers from time to time, however sincerely expressed, can hardly be said to fulfil these requirements of section 14 of the Income Tax Act.

Then I should like to cite what happened to one taxpayer, as illustrated by an article in the London *Free Press* of March 12, 1956. Evidently this taxpayer in company with his auditor consulted the local officials, his only contact with the department, and they agreed that the cash basis method of computing his income for tax purposes was acceptable to them. However, some years later he was assessed for a considerable sum. He appealed to the income tax appeal board, which board ruled that the taxpayer was overly optimistic in his assumption that the cash method of computing income had been accepted. The joker is the word "accepted" in the act. According to the board the term "accepted" indicates the unqualified acceptance in appropriate form on behalf of the crown which leaves no scope for doubt. The oral or written statements or opinions of assessors or others, however sincerely expressed, cannot be considered as fulfilling this requirement. Consequently, therefore, you must take their advice with a grain of salt because later the department will repudiate it. I feel this is a regrettable state of affairs because these small taxpayers about whom I am talking should be able to obtain correct advice from the department. However, experience has proven that advice is not dependable.

A little earlier I mentioned the chamber of commerce brief. The chamber of commerce recommended that the right to assess

be limited to a one-year period dating from the assessment. There is a joker in that, too, Mr. Speaker, and I claim that is not good enough. Some assessments are delayed for years and the taxpayer does not know his position. It provides a loophole and an alibi for the department. The Department of National Revenue demands that the individual taxpayer's returns be in four months after the close of the calendar year. However, when it comes to the department processing these returns, that can go on for years and years without arriving at any finality.

Just last evening on the train coming to Ottawa I met some of the members of the legislative and without asking them for their opinions on the subject they expressed concern about the lack of finality and suggested that something should and could be done about it. While I am mentioning that I might say that I think there is a desire on the part of the taxpayer to have a clear definition of capital gains. There is no such clear definition today. I would say that if the government is as efficient as they would lead the public to believe there is no reason in the world why these returns could not be processed within 12 months from April 30.

There is another alarming angle. I suppose there are two sides to every story, but I have had several taxpayers come to me and say that the assessors who appeared at their places demanded cash and would not take a cheque. I suppose there is a possibility of someone giving a cheque that would bounce, and consequently they did not want to be caught that way. On the other hand, I am just wondering why they demanded cash. In my opinion that angle should be investigated because the demand does not ring true.

Mr. Benidickson: Would my hon. friend give particulars on that?

Mr. White (Middlesex East): No, sir, I am not going to divulge the names of the people who came to me. They are in sufficient trouble now. Last year, Mr. Speaker, there were quite a number of Liberal members who had resolutions on the order paper or mentioned in their speeches the problems I am bringing to the attention of the house today. I would hope these members would be influential in furthering the cause about which I am speaking this afternoon. I noticed that there was one member on the government side who had the courage of his convictions and made a speech accordingly.

There are those who will say this cannot be done. I would think such an answer by the government or the officials concerned would be an admission of inefficiency or an admission that the department does not want to settle individual accounts within any stated time. It would be an admission also that the officials of the department like the power with which they are vested and are loath to relinquish it.

Recently I had two cases brought to my attention. One man had been making returns for many years when he was approached and told that his account was incorrect. He was asked for quite a sum of money and said he did not have that kind of money, but he would allot a certain percentage of his monthly pay cheque to meet their account. This was agreed upon. The account was reduced from thousands to hundreds. Then his wife was taken sick and she was in and out of hospital for many months. When the due date for the next income tax payment rolled around the man informed the department he could not pay it because he did not have the cash. He was informed that his wages would be garnisheed. He pointed out to the department that the refundable portion of the amount deducted from his wages for income tax purposes would more than cover what he owed the department, but they would not agree to that. They garnisheed his wages. As hon. members know, in the case of some companies this means that you are let out of your job.

Mr. Benidickson: Will my hon. friend give me the particulars of that?

Mr. White (Middlesex East): Yes, sir. I had a letter from an individual who said that apparently her only crime was saving money for her old age. When the income tax department found cash in the bank they were immediately suspicious and investigated every possible angle. Her conclusion was that all the government wanted to do was to worry her to death before she was 70 and able to collect the old age pension.

A year ago I mentioned the efficiency of Eaton's and Simpson's in keeping track of their customers' accounts.

The Minister of Finance rather questioned what I had to say. I therefore took the trouble to find out how many accounts Eaton's and Simpson's processed in their mail order departments in a day and how many employees they had. As I understand it, the Eaton company employs about 5,000 people in its mail order department. This has nothing to do with the retail sales. They service about 50,000 orders a day and the average time taken to process an order is 20 minutes. The income tax department employ over 6,000 people. There are approximately 9 million people of tax-paying age in the country. They are not all taxpayers. I did not have time to review the

income tax statistics to find out exactly the number, but there are in Canada about 1,500 persons for each employee in the income tax department, to say nothing of those who are not eligible for taxation. Therefore, it would seem to me that there could be a great deal more efficiency employed by the department than is employed at the present time.

While what I have to say now has nothing to do with the settling of accounts yearly, I do want to point out that those persons who are contributing to approved pension plans are able to deduct from their income tax the amount paid for such a plan, but those who are individually or self-employed help to pay for it because industry or concern passes on those costs. They become part of the cost of doing business. Consequently, those people who are individually or self employed are not able to deduct any payments they might make to a pension plan of their own. They are, in a sense, contributing to the pension plans of others in the costs of things they have to buy. That is something the department should look into. All self-employed people are under that kind of double-edged sword arrangement. On the one hand they are paying for others and on the other they are not able to deduct the costs of their own plans.

There is another comment I wish to make. We saw this during the early part of the last session. Planes and many other pieces of war goods were declared surplus and obsolete. They were bought as junk at a fraction of their original cost. Then, after being purchased as junk, they were sold to belligerent countries in the Middle East. My contention is that if some of the money obtained was used for hospitalization plans, increases in pensions and things like that for our own Canadian people it would be putting money to much better use.

I also wish to point out that it would take a Philadelphia lawyer to understand the Income Tax Act. The department expects individuals who are busy trying to run their own business to understand all the ramifications of the act.

In conclusion I wish to point out, Shakespeare said that life is a stage and every person plays a part. I think everyone knows the part the income tax department is playing, with eminent success.

Mr. W. M. Benidickson (Parliamentary Assistant to the Minister of Finance): Mr. Speaker, this subject is not new to the house. As a matter of fact, last session we had a very worth-while debate on a subject very close to the resolution we are discussing now because of the introduction of an amendment to a statute by the hon. member for Kamloops. At that time the hon. member for Middlesex East, who is now proposing this resolution, spoke and he said, as reported at page 3237 *of Hansard:*

> The income tax is probably the fairest method of collecting taxes because those who are most able to pay are the ones from whom taxes are taken. But the way in which it is done at the present time is extremely unsatisfactory.

I take it that in essence this is still the reason for his bringing forward this resolution today. On the other hand, I want to remind him and the house that last year when this matter was under discussion it was indicated that while the government at that time had under its income tax provisions an opportunity to reassess, beyond conditions of fraud and misrepresentation, a taxpayer's return within a period of six years, consideration would be given to reducing that opportunity in regard to time. In August of last year, when the Income Tax Act was amended by this house, it was proposed as a government measure that this period of time within which re-assessment could take place under normal conditions be reduced from six years to four years. It is true that the public bill, as introduced by the hon. member for Kamloops, proposed three years, but I suggest to the house it is reasonable to think that this fairly important reduction passed last year, from six years to four years, is worthy of a try-out without the most radical suggestion made by the hon. member for Middlesex East.

Some complications would result if we were to accept at its face value the proposition of the hon. member for Middlesex East. While there is some vagueness in the wording, he suggests that we can within a year of filing arrive at a conclusion with respect to the tax obligation of all individuals filing tax claims.

Our laws also provide a certain number of privileges to the taxpayers. It is not clear in the hon. member's resolution that he would similarly want to restrict the taxpayer in so far as his rights are concerned in asking for re-assessment in the case of a deduction at source. Under the present law the taxpayer is given the privilege of two years within which to ask the taxation department to refund to him certain moneys that he considers due by reason of certain deductions that are provided under law. That is not clear and if we were to accept the hon. member's resolution as proposed this afternoon I suggest it would take away from the taxpayer whose income is taxed at the source privileges that he now has of two years' opportunity of applying to

the income tax department for a re-assessment and a reconsideration of his tax payments and his application for a refund for lawful deductions.

In the legislation proposed by the hon. member for Kamloops last year there was at least recognition of the fact that there should not be restrictions for the department in so far as taxpayers are concerned in cases of fraud and misrepresentation. In the resolution that has been presented to us this afternoon I find no reservation with respect to that matter and I think it will commend itself to the house as unworthy of acceptance on that score alone, because surely the present opportunities of the income tax department should be furthered and continued in terms of being able to reassess in the case of taxpayers regarding whom there is very definite evidence of fraud and misrepresentation in the matter of their filing.

Mr. Nesbitt: The hon. member covered that.

Mr. Benidickson: It is not in the resolution. If we were to accept the resolution I know my hon. friend who just rose would be among the first to say we passed a resolution which was not accepted holus-bolus as a government.

Another thing which I think should be taken into consideration by hon. members is the general element of justice and fairness in tax matters as it relates to all taxpayers across the country. I find that in the most recent publication of the Department of National Revenue entitled "Taxation Statistics for 1956" and which is based on tax returns for the year 1954 the following information is available to all of us. It is reported there that the total number of taxable income returns for the year 1954 was 3,410,160. The number of non-taxable returns was 1,393,250. This means that a grand total of 4,803,410 tax returns were considered by the officials of the Department of National Revenue in 1954. I submit to the common sense of hon. members that they would not want to employ in the Department of National Revenue on a peak work period basis and then a lay-off basis the number of employees who would be required from April 30 to the end of the calendar year to process that number of returns.

I know the proposer of this proposition is sincere in his suggestion and I also know that generally speaking he speaks for an agricultural community. I want to point out to him that the taxation statistics for the year 1954 to which I have referred show that out of a total of 4,800,000 returns only 43,000 farmers and fishermen submitted returns that were subsequently found to be taxable. In addition there were 171,000 farmers and fishermen who submitted returns that were non-taxable.

There are many hon. members of this house who represent ridings which are basically composed of wage earners who have income from only one source and that is from an employer. Respecting the employees' class, a total of 3,032,300 employees filed returns on income that was taxable and a total of 994,660 employees filed returns on income that was not taxable. If we are to regard the element of fairness, I do not think the mass of people whose basic income is taxed at the source for income tax purposes as a result of their being employees would be satisfied if they felt that this government or any other government was restricted, as is suggested by the resolution before us, in its opportunity to examine carefully the returns of other taxpayers who have a more complicated situation, such as business proprietors, farmers and fishermen and professionals, in order to assure that everybody is paying the just and proper rates that are passed by this parliament.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, as the parliamentary assistant to the Minister of Finance has so aptly put it, it is not so much the collection of taxes or the rates charged that is objected to, but rather it is the method of collecting taxes that is objected to, and that is what is behind the resolution of the hon. member for Middlesex East.

I suppose, Mr. Speaker, tax collectors and tax collecting methods have been unpopular throughout history. As many hon. members probably know, in the old and difficult days of the Romans the job of tax collector was hired out at a certain price. In other words, if the government of the day wanted a certain amount of taxes collected from a given area and they expected, let us say, the equivalent of $100,000 to come from a specific part of the country, someone would contract to take the job and if they succeeded in collecting more than $100,000 in taxes they filled their own pockets with the surplus. We all know, of course, that such a thing would not be allowable today; however, in effect it may not be as unallowable as it might appear because while the tax collectors of today receive a salary I think some of them have the attitude which says, "Get all you can". I know of one particular instance which comes to mind and there are other instances which I could cite. Just recently in my own town a man who operates a small business was visited by the collectors who said, "Well, we got so much out of so and so and now we are

going to see how much we can get out of you". If that is the attitude of the tax collectors it is little wonder that the general public is complaining about the methods used by the officials of the Department of National Revenue because the state of mind represented by the "get all you can" attitude is not a desirable one.

There are people in other positions who have the same type of attitude. For instance, it is often believed that some policemen like to get as many convictions as possible because they think they might earn a promotion on this account. I cannot help but feel that a great many junior officials of the Department of National Revenue have the feeling that the more they can get out of the people the greater will be their chances of promotion. I know full well that when this department was before the special committee on estimates last year the minister denied that this was the case. I am not suggesting that the minister was trying to mislead anyone, as I think he sincerely believes what he said. I do not suppose for a minute that the department condones such a state of affairs, but I am quite sure in my own mind that many of the junior officials feel that if they do a good job and bring in a lot more revenue they are going to get promoted. I cannot help feeling that that is so as it is only human nature to feel that if you are making a success of your job you are going to get a promotion.

Another thing that was brought out last year when the affairs of the Department of National Revenue were being considered by the special committee was the length of time books of a company or an individual would be retained by the departmental officials when they were on a fishing expedition. Several times I have mentioned in the house the case of a private company where the books were taken by the departmental officials for examination. The officials arrived at the home of the owner at six o'clock in the morning. The owner was in Europe with his wife, but his son was there. The officials ransacked the house for the books, and I suppose in doing so they were within the law as they had a warrant. These books were kept for over a year, I believe for 15 months, at great inconvenience to the company. For instance, they did not know what money was owing to them because their accounts receivable book was away. They did not know what money they owed because their accounts payable ledger was away.

I see no reason why the department should keep books for that length of time. There is no reason why they could not have books of this kind photostatted and use the photostats in making their investigation. On previous occasion reference has been made to how good the Department of National Revenue is at photostatting. There is no reason why they could not use methods of that kind in this type of case so that the books might be returned and permit businesses of this type to carry on.

The hon. member who has just resumed his seat has said that he feels one year might be too short a time, that we should try out the four-year period, as was agreed to last year. There may be something in what he says, but I cannot help but feel that if the period was reduced to one year it would work out very well. I know the department will say that this would place a terrific strain on the department, that it would be an incredible thing to do, but I think most hon. members have seen examples in other fields where people have had to do something and have gone out and done it. Many of us can remember when during the war the length of military training was reduced. The usual length of training was from six months to a year but during the war we had to have people in a hurry. In my own experience in the navy the length of training was from three to four months. The results may not have been perfect but I know the people in that branch of the service did a pretty good job even though they had to get their training in a hurry. The same sort of argument could be applied to the Department of National Revenue. When people know they have only a certain length of time to do things they will get them done.

There is another item I should like to mention, the drawing up of income tax returns. As everyone knows, this is an exceedingly complicated matter. I think the hon. member for Kenora-Rainy River (Mr. Benidickson) agreed that this is so. In fact it is so much so that sometimes people go to lawyers to have this done. I do not think many lawyers know much about this sort of thing. I know I do not and I have an accountant draw up mine for me. A great many other people do the same thing.

However, many people, such as farmers, do not know just whom to go to in order to have their income tax returns drawn up. They should go to a chartered or public accountant, but very often they do not. As I say, many lawyers do not know too much about it but they still go ahead and draw up these forms, but they are responsible for any mistakes they may make on behalf of their clients. On the other hand, many people will go to a township clerk to have their income tax returns drawn up. They do this in perfectly good

faith but, as hon. members know, this presents a very complicated problem in completing the returns, allowing for depreciation and so on.

Someone may go to a township clerk and the township clerk makes a mistake. Then several years later the farmer may find that he owes a lot of money plus interest. He may not be penalized because there was no intent to defraud, but he does have to pay interest. Yet he had his income tax return made out in completely good faith by someone who held himself out as knowing what he was doing. The township clerk holds himself out as an agent who knows and the farmer is penalized. It seems to me that if someone holds himself out as an agent to know, as we call it in law, and draws up income tax returns, he should be liable in damages for any mistakes he may make. If a lawyer makes a mistake he is liable for the consequences. I think that should apply to these other people.

The hon. member for Middlesex East (Mr. White) who proposed this resolution said that there are many practical reasons why the burden of proof should be shifted. The individual must now prove that he is not guilty. I cannot help but feel that this constitutes a dangerous precedent. It may be all very well for government officials to go on fishing expeditions to see what they can find out, for a year as proposed in the resolution, but it is a dangerous precedent. This is contrary to all the principles of British justice which apply throughout the English-speaking world, and it is a very dangerous thing. Once it gets into one department of government the next thing we know it will be the case with all departments.

As has been mentioned by the hon. member for Middlesex East, quite often a person will be assessed a certain amount of tax but rather than appeal it to the income tax appeal board, which might entail employing a lawyer, he may decide to pay even though he feels he is not liable. Lawyers may not charge as much as members of some other professions, but they do charge fairly well. You may require a specialist in income tax law which is going to cost more. Even though a man wins his appeal where the sum involved is fairly small he may not be any further ahead.

Quite often a man decides to pay the amount he is assessed for because he feels that even if he won his case it would not be worth it. There might be $500 involved, and even though he wins he might have to pay half that amount to his lawyer. This is the rather unfortunate state of affairs that exists. I appreciate that that is not strictly the fault of the government, but that is what results from this type of law.

There is one last thing I would like to mention. After a reassessment is made a man may find that he owes $4,000 or $5,000. If he is a small businessman or a farmer and has to get that amount of money right away he may find himself in difficulty. I know that at times the Department of National Revenue will allow a little time for payment, but they do not have to. If a small businessman or farmer has to raise $4,000 or $5,000 or $6,000 in a hurry it may well mean the ruination of his business or his farm. We all know that when you have to sell something in a hurry you cannot realize its full value. If a farmer has to sell part of his farm or if a businessman has to sell some of his stock-in-trade in a hurry he may find that he must sell at a considerable discount and thus suffer a heavy loss in relation to what he has to pay. I would like to point out that though the words "fraud and misrepresentation" were not contained in the resolution, the hon. member for Middlesex East (Mr. White) dealt with that aspect, and said that this was in no way intended as a means of covering up people who had been dishonest and who had tried to cheat the government of its just due.

The last point I would try to make is this: when it is found that people have not paid what they should have paid, then, though perfectly innocent of any intention to deceive, they are not only penalized by having to pay the amount claimed plus interest, but they often have to suffer a considerable loss in being forced to sell part of a farm or business in order to raise funds in a hurry. I think that if he does nothing else, the Minister of Finance might consider some amendment to the act under which a time limit would be allowed so that people would not have to ruin themselves in an effort to raise money regardless of the circumstances.

Mr. F. D. Shaw (Red Deer): When I first read this resolution, Mr. Speaker, I wrote across it: "Supported with reservations." One of the reservations I had in mind has already been mentioned here, namely the possibility of fraud and misrepresentation.

The hon. member who sponsored this resolution (Mr. White, Middlesex East) has stressed that he is in no way endeavouring to protect those who are guilty of fraud or misrepresentation. I certainly would not suggest, either, that protection should be given to such persons, but the sponsor did make his position perfectly clear on this point. The parliamentary assistant (Mr. Benidickson) urged opposition to the resolution on the

ground that this proviso was not contained in it. I cannot help but think—

Mr. Benidickson: They could not be found out within such a short period of time.

Mr. Shaw: I cannot help but feel that more than once in cases where this house has had government resolutions, even government bills, before it for consideration, all has not been stated; in fact, very few government resolutions give a clear picture of the full import of what is intended. Indeed, it often happens that this house, having passed a bill in the belief that it knew what it was doing, finds later that regulations have been attached to that bill to give it an effect which was never intended by the house itself when it passed the measure.

The parliamentary assistant referred to the fact that the taxpayer is given two years in which to claim reassessment and refund. It does occur to me that there might be a strong argument there for saying that the government, or the Department of National Revenue, should also be limited to two years with regard to its own actions; what is fair for the taxpayer on one hand should also be perfectly fair for the department. There is a difference between the two. The department has the wherewithal to hire experts to complete their job, while the individual is often an overworked, oppressed person who has all too little time and, possibly, all too little ability when it comes to keeping books.

I think it is inevitable that the national revenue department should be the most unpopular department of government. After all, they are in the business of collecting taxes, and none of us likes taxes. I think, myself, that the department becomes unpopular in relation to the weight with which taxation bears down on the public. During times like the present when most people believe that taxes are particularly oppressive there is bound to be considerably more criticism. I do feel, however, that the Department of National Revenue and the government can rid themselves of a good deal of the criticism which presently falls upon them by making a concerted effort to remove the anomalies and the inconsistencies which are found within the act itself.

I noticed in the press this morning that only within the last few days the Canadian Bar Association, I believe, and the accountants have made representations to the Department of Finance urging the removal from the act of certain obvious anomalies. I shall not refer to these anomalies in detail, though I could; they are there, and certainly consideration should be given to the correction of this difficulty.

It is also true, Mr. Speaker, that right across the country we find a great variation in the interpretation of the regulations; one finds a difference between the interpretation made by two district offices, in some instances, within a single province. I happen to have had evidence of a certain case which was handled by one of the district offices. It was discovered that the taxpayer in question was the responsibility of another district, and the accounts were accordingly transferred. However, in the second district a different interpretation was placed upon various sections of the act. I sometimes wonder, in this connection, how much of the time of the head office staff here in Ottawa is occupied in correcting errors made in district offices—errors of actual calculation and errors in interpretation. I doubt very much if we will get that information, but from what I hear via the "grapevine" a very substantial part of the time of head office is occupied in straightening out the difficulties which are constantly and chronically arising in the district offices.

That leads me to suggest this: I wonder if the department is doing enough to familiarize its employees in district offices with interpretations as accepted by head office. What effort is made to bring the staff together to consider and study interpretations? I think, myself, that no matter what is being done in this connection more should be undertaken. I agree with the hon. member for Oxford (Mr. Nesbitt) that it is probably these administrative difficulties that are causing the greatest amount of trouble.

Consider, for example, a farmer who has not either the time or, possibly, the ability—I am only thinking of certain cases; I am not condemning all farmers, or anyone else for that matter—to keep a clear record of his accounts. It does happen that in many cases people have neither the time nor the ability to organize an acceptable accounting system. In these cases the department imposes upon such people what it calls a "net worth statement". In some respects these things are perfectly vicious. I have known the affairs of certain individuals and I have examined net worth statements and, believe me, though you know they are wrong you just cannot prove they are wrong. It is one of the strangest things I have encountered while in public office.

Then there is the practice of placing the onus upon the taxpayer himself; in other words, the department will sometimes set down an almost fantastic figure and say: "We say this is right. If it is not, you prove it is wrong."

I will give the house a typical example—something that recently happened. A farmer

had among his papers a receipt for $1,200, money that he had spent to buy cattle. The department had it included as income and kept insisting that he account for this $1,200. It is almost unbelievable. I would not have believed it myself if I had not seen these papers and the receipt. This is the sort of thing that causes annoyance and aggravation. I sometimes think that when the Department of National Revenue recruits new personnel it does not give sufficient attention to—if I may use this word—training its men.

After all, there are right ways and there are wrong ways of dealing with the public. I should think that the Department of National Revenue would be more concerned than any other department in dealing with them in the right way. They can be firm. They can insist upon the provisions of the act being adhered to. But I am sometimes troubled by the attitudes of those who can—I think someone in a previous debate described them as little gods—and do create a certain animosity among taxpayers or prospective taxpayers. The situation is just not good. I sometimes think that these regulations we now have seem to be predicated upon a premise or assumption held by some that people are inherently dishonest. People are not inherently dishonest. I think it is an error on the part of the Department of National Revenue to create the impression that that is what they sometimes believe. Rather, I would say that it would be an admission that the administration is incompetent, and that in so many cases they try to cover up their incompetence by these unfair procedures and pressures which are imposed upon prospective taxpayers.

I want to say to the parliamentary assistant to the Minister of Finance that I think we have come a long way in the past few years in clarifying income tax returns. I think it has been a progressive step. The department are simplifying them to a considerable degree and on the income tax forms they are putting a good deal of information for the purpose of assisting the one who is filing or preparing the return to complete the return with less chance of error. I wish to commend the department for that improvement.

As does the hon. member for Oxford, I feel there is still room for considerable improvement in the field of administration. I will frankly state to you, Mr. Speaker, that I am not fully aware of all the implications in reducing this to a one-year period. However, I would say this. If two years is considered good for the taxpayer on the one hand, certainly it should be considered good enough for the Department of National Revenue on the other hand.

There is just one other thing I wish to say, Mr. Speaker, and it is in connection with some of the things that annoy people. A perfectly honest person, we will say, files a return. He completes it to the very best of his ability. Some time later he is informed that he owes more money and of course he is frequently called upon to pay interest on what he owes the department. Yet the department itself can hold a taxpayer's money for quite a considerable period of time but he has no right to claim anything whatsoever by way of interest. It appears that the only safe thing for the average taxpayer to do is to overpay. Then, of course, he is caught again because, Mr. Speaker, in overpaying he runs into financial difficulties, is obliged to borrow and is up against possibly an even higher interest rate. I have said before and I say again that if the department expects me to pay interest on what I owe them, surely the least I can expect is for them to pay me some interest not on what they owe me but on the amount of money which they took from me over and above what the law of the land requires me to pay.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I want to make a few brief remarks on this matter. First of all, I want to refer to what was said by the parliamentary assistant to the Minister of Finance. He pointed out one or two technical omissions in the resolution, notably one referring to fraud, and I think that was answered. I think what we are all trying to do is to reach a reasonable solution of this matter. Incidentally, Mr. Speaker, I would hope that before this debate concluded we would have a somewhat detailed statement not merely from the finance department who look at the principles of taxation matters and decide them, but also from the revenue department who have the business of actually doing the work of collecting. It seems to me that this is rather a question of what is reasonable from a technical point of view rather than in any sense a matter of principle. We are none of us talking about matters of principle, except the principle of being fair. In order to know what is fair one must have a picture of the technique involved in the actual business of collecting.

In the discussion of a year ago, on June 12, 1956, the Minister of National Revenue gave us some figures indicating the way in which the work of the Department of National Revenue had been catching up with arrears of previous years. As reported at page 4959 of *Hansard* of 1956 he said this:

> I am very happy to say that that backlog of work has been cleaned up and we are now on a current basis. The same amount of work, or considerably more work, is now being done with 6,000 to 7,000 employees that was formerly done by 11,000 or more.

I come back to what I said a moment ago. What we are all trying to do is to find out what is reasonable or what can be reasonably expected of the department. It is for that reason that I wish we could have a more technical statement giving us a picture of the actual delays that are involved. I would hope that this resolution would not merely be voted down but that it would be taken by the government as a basis for further consideration and that there would be full explanation. If the actual proposal contained in this resolution cannot be fully accepted, then perhaps it can be partly accepted. The people who ought to be able to tell us about the matter are those who are in the day-to-day business of administering the taxes.

I do not think that I need to spend further time in speaking on the matter. I have not before me definite illustrations of the hardship which is being caused, although I think we need have no doubt that hardship is being caused.

I was particularly impressed by a remark made in the course of the debate a year ago—and I think it has been repeated again this afternoon—about the difficulty which is caused to people who find it almost impossible to keep their records in apple-pie order over the years and who, when faced with something that happened years ago, are in great embarrassment. I suppose it is also true to say that even though the amounts involved may not be large, nevertheless many people, notably farmers, have a much more difficult task in making up their income tax returns than do many of those who live in the city, particularly those who are on a salary basis or a semi-salary basis. Their problem is a piece of cake compared with the problem of the farmer. It therefore seems to me that every effort should be made to shorten the time and that the department should show itself to be co-operative in so doing.

Mr. Benidickson: This time was cut a third last year.

Mr. Macdonnell: Yes, it was. I notice that the parliamentary assistant said that it was reasonable that this system be tried out for a few years. But in answer to that proposal, I suggest it is just as reasonable or more reasonable to ask the department, who are experts in this matter, to consider carefully whether they cannot come up and say, "Yes, we can do it in less than four years. We have reviewed the situation and we are able to say that we can do it in less than four years."

That leaves one point that I want to make. It may be that certain reservations must be made. I think we have all agreed that fraud must be expected. In the case of fraud we realize that no arrangement can stand merely because it has existed over a certain number of years. Now, there may be some other qualifications. There may be a qualification which I am not able to put into apt words where new facts arise and where perhaps the matter should be opened up. I realize that is difficult to do, and I realize that may open the door very wide. Perhaps to some extent I am unintentionally torpedoing my friend's resolution when I say that, but my point is merely this. I think we might ask the department not to take an arbitrary position and say that a year ago we reduced it to four years, and we are not going to consider it any further for some years to come. My request of the department is that they take a fair look at the subject. A suggestion has been made that they should have two years just as an individual has two years.

If an argument in detail is made by the department showing that is not fair then the mover of the resolution and other people who have supported it, who are fair minded men, I am sure would be convinced. I do suggest it is fair that they should have a chance to be convinced, and when I say "a chance to be convinced", I mean there should be a reasoned and detailed argument made as to what really is the time required.

Mr. Benidickson: I am sure my hon. friend will agree, will he not, that this was examined by an estimates committee last year when the Minister of National Revenue (Mr. McCann) was before that committee.

Mr. Macdonnell: I do not disagree with that, but after all this government wants us to believe that year by year they are getting bigger, better and brighter. I am sure they would say they had learned a lot in the last year.

Mr. J. W. Monteith (Perth): The hon. member for Greenwood (Mr. Macdonnell) has just said he had no definite illustration of unfairness. I should like to bring to the attention of the house, Mr. Speaker, a case decided by the income tax appeal board on October 29, 1956. The judgment was handed down by Mr. Fordham. The case concerned an elderly gentleman in western Ontario who had farmed all his life and who had always been fond of horses. Eventually, he acquired a horse which managed to win for several years. Later on the assessors made an examination of his books and ascertained, by the net worth method, that he had more money than they would have expected from a perusal of his income tax returns. As a consequence, they

assessed him and the assessment took place over a number of years from 1947 onward.

This gentleman filed a notice of appeal, and after the notice was filed the total assessment was reduced by some $7,093. In other words, the department admitted that the original assessment was not correct. I should like to quote from some of the facts cited in Mr. Fordam's judgment.

> It may be observed at this point that in the returns for the years 1947 to 1951, inclusive, appellant mentioned having received in the United States of America "race horse purses only". No amounts were mentioned, but in the part of each return in which this acknowledgment was made there is no space provided for the showing of any amounts, in any event.

Then, later in the judgment there is this observation:

> As already observed, the appellant obediently reported in the appropriate place in each of his income tax returns for the years 1947, 1948, 1949, 1950 and 1951 that he had received race-horse purses in the United States of America, but this disclosure has availed him nothing. He might well have been asked for particulars of these purses as and when the returns were received and examined. Likely, he would then have learned, before it was too late, that the incidence of income tax rendered desirable the keeping of a careful record of all prize money received across the border. I find it rather difficult to comprehend why no attention was paid to appellant's clear reference to moneys earned by him in the neighbouring country. It is easy to see how he may have been lulled into a feeling of security in the matter when no questions were put to him by local assessors.

It has been considered for some years that race horse winnings would be capital gains. This man had reported to the department the receipt of the money and the department had done nothing about it. Then eight years later they come to him and he is assessed a great amount of money. Let us not forget this assessment was arrived at by the net worth method, and Mr. Fordham had a word to say about that:

> There is something unsatisfactory about arbitrary assessments as they are necessarily founded on estimate and conjecture to a large extent and these methods of approach leave ample room for error on the part of the computer.

Of course the computer in this case is the department. I am bringing this case to the attention of the house because although the taxpayer has reported the source of the income he was not asked to explain it nor was he told that the amount would be taxable. As Mr. Fordham points out, it certainly does not seem fair at this stage. I feel it is manifestly unfair to assess a man who is 69 years of age some eight years after he has reported income and upon which he has not been questioned in any manner whatever.

There are other instances of gross unfairness in the establishing of taxable income on the net worth basis. In my opinion, Mr. Speaker, we come down to the fact that the administration of the department does not dispense British justice. According to the department the taxpayer is guilty until proven innocent, but I believe that he should be innocent until proven guilty.

Mr. F. S. Zaplitny (Dauphin): I am assuming, Mr. Speaker, that the hon. member for Middlesex East (Mr. White) will be replying to some of the comments that have been made about this motion. My object in rising, chiefly, is to ask a number of questions for the purpose of clarification. Perhaps the hon. member would be kind enough to make a note of the questions because I would appreciate an explanation.

First, I want to say that if the principle of the resolution is to bring about, at some point, finality to the income tax cases of individuals then I feel that the principle is a good one. It is a cause of irritation and disturbing for people to have their income tax affairs gone over year after year without reaching a point at which they can say, I have fulfilled my obligations to the government; the case is closed. It would appear to me that the intention behind the motion is good and on that basis the motion has merit.

One thing that bothers me is, I was going to say the haziness of the motion, but I do not wish to be too hard on the mover. It appears to me there are a number of questions left unanswered. Just looking at the second last line of the motion, I find these words:

> . . . a final receipt for those whose income tax returns filed for the preceding calendar year . . .

The question that arises in my mind is this. Is that a final receipt, as is stated in the motion, for the income tax return?

If it means exactly what it says, then I am a little doubtful as to whether it really is the intention because I would imagine the hon. member means a final receipt for income tax obligations or assessments rather than the returns themselves.

Then, it goes on to say, "for the preceding calendar year". I am thinking of something of this nature. Suppose I, as an individual taxpayer, were slow in filing my income tax returns, as unfortunately many of us are at times, and suppose I filed for the calendar year 1956 in November 1957, which I do not suggest is a good example but it could happen, then, what is the purport of the resolution? Is it that I should receive a final receipt for the preceding calendar year? Surely, one would not expect to receive a final receipt for the preceding calendar year if he filed within a month or two of the next calendar year. That would be, of course, an impossible and unreasonable thing

to expect. Then, if he did not receive it that year and it carried over into the next year then, of course, he would not be receiving a receipt for the preceding calendar year. This is one of the things I would like to have explained.

Then, the resolution states further, "for individuals whose income is $10,000 or less". I would like the hon. member to tell us what he means by "income of $10,000 or less". Does he mean gross income, net income or taxable income? If he means taxable income, then, of course, we understand his point, but again I would like him to explain, if he will be so good as to do so.

Mr. Benidickson: Ninety per cent would be subject to the resolution because they have incomes of less than $10,000 a year.

Mr. Zaplitny: That is a sad commentary on the so-called prosperity the Liberals talk about. I was wondering also why the limit was set at $10,000 or less? What particular reason was there for choosing $10,000?

Another question which arises is, what happens in connection with refunds? If we take the wording strictly and interpret the words "final receipt", the word "final" in all its implications would either prevent or interfere with the individual's claim for refunds for overpayments or overassessments. These are some of the questions I should like to have clarified. Again, I wish to say that if the intention or the principle of the motion is that as quickly as possible after the returns have been filed the case should be brought to a point of finality, then I feel the motion has merit, but as it stands now there are some grave doubts in my mind as to what is exactly meant by the motion itself and I hope the hon. member will be kind enough to give us an explanation.

Mr. J. C. Van Horne (Restigouche-Madawaska): Mr. Speaker, there can be no question that, in accordance with the established principles of British justice, a sword should not be permitted to hang over the heads of our people. That is exactly the situation with regard to the very long period of time during which an assessment can be made against any citizen in Canada in regard to his income tax.

I have had some experience in police work over the years and I have some knowledge of the methods by which investigations are carried out. The criterion of success of any investigator in the income tax branch is usually the amount of money he can bring in or the assessments he can increase.

Another point I should like to bring out—and I am in a position to prove it, preferably privately—is that political influence plays a very great part in the establishment of assessments in regard to income tax.

Mr. Weir: You are wrong there.

Mr. Van Horne: I happen to know. Last year a question was asked of the Minister of National Revenue in connection with the number of investigations that were being made and the minister replied that he could not find investigators to do the work. I know one investigator who took the trouble to come all the way up to Ottawa to see me for the sole purpose of telling me that he had to leave as an investigator in the income tax branch because he no sooner got an assessment or a big amount of money lined up and was prepared to bring the assessment to court or to implement a charge in court than he would be instructed by Ottawa to forget the whole thing and leave the person alone. He decided that he had better quit before he got involved in some shady deal. He was forced to do it because of government orders coming from Ottawa, shady deals being carried out by the members of the government.

Mr. Benidickson: Will my hon. friend name that gentleman?

Mr. Van Horne: I said I would do it preferably privately.

Mr. Benidickson: All right.

Mr. Van Horne: Principles of justice demand that the citizens of a free land be given greater consideration than they are given at the present time in regard to income tax assessments.

There is nothing in the resolution now before us to deprive a citizen of his right to appeal, or to prevent a citizen from taking advantage of the safeguards that exist in the law at the present time. The whole idea is to make our people free. After a certain period of time they can look back and say, "Well, we are clear of the income tax branch. They have had so many months in which to investigate us; they have not done so and therefore we are now free". It is indeed a pleasure to add my word of approval to the resolution.

Mr. W. G. Weir (Portage-Neepawa): Mr. Speaker, I have been in this house nearly as long as most hon. members have and perhaps there has been the odd occasion when people have come to me with income tax problems. Standing here in my place today I want to say that I deny emphatically the charge made by the hon. member for Restigouche-Madawaska. From my experience I wish to say that if he thinks that political influence is used in settling income

tax problems and things of that kind, then I deny it and say that he is completely wrong.

Mr. Van Horne: I can prove I am right and I will.

Mr. Weir: He says that political influence is used. I deny that. From any experience that I have ever had, and in any discussions that I have ever had with anyone, I say that the income tax officials are honest, but maybe not always with the best discretion in carrying out their duties, but I deny the charge that political influence is exercised in respect of the settlement of income tax claims.

Mr. Van Horne: You have no means of knowing.

Mr. Benidickson: The member speaking has been here longer than most members.

Mr. Weir: The object of this resolution is to reduce the time in which the final settlement of income tax claims may be made. As the parliamentary assistant pointed out in discussing this matter, steps to that end were taken a year ago when the period allowed for review of a return was reduced from six years to four years. I think all of us would like to see the period reduced even further but, having regard to the fact that that step was taken a year ago, one naturally would feel that there is some ground for saying that there should be a little further time to gain added experience under the new regulation.

I am perfectly aware of what is said about the payment of income tax. Nobody likes to pay income tax and certainly no one relishes having his income tax affairs too closely probed. I think we are all conscious of that. My approach to this resolution this afternoon is from a somewhat different angle, and if I am regarded as being critical in this connection, well, it is just too bad. I am bound to say that I think the public relations of the Department of National Revenue could be greatly improved.

Some hon. Members: Hear, hear.

Mr. Weir: I think the department could well afford to launch a campaign indicating a greater willingness on their part—they claim they already do this but I think they could indicate a greater sense of willingness —to assist the taxpayer and make him conscious of an obligation to the state rather than what might be described as a sense of fear for those people who exercise a considerable measure of authority in the matter of income tax.

An hon. Member: Make sure the minister hears this.

Mr. Weir: Having said that, I would point out I am perfectly conscious of the fact that wage earners do not have much leeway inasmuch as their income tax is deducted at source and their position is different from that of the small businessman who sometimes is not able to hire the most qualified bookkeepers and accountants and therefore has to deal with a problem of considerable importance; but I am thinking more particularly of the farmer who is confronted with the problem of having to make out an income tax return that completely meets the requirements of the act and the regulations thereunder without perhaps there being any leeway to question certain items. Concerning the matter of keeping records and books, I think some progress has been made and even the problem of the farmer is being worked out in a more satisfactory manner than was the case a while ago, but nonetheless the farmer is in a peculiar situation which is admittedly difficult. I return to the matter of the desirability of having the income tax people demonstrate in some manner to the public that they are friends of the taxpayer rather than being viewed with fear or as something to be avoided.

The final comment I wish to make relates to cases where there is a suspicion of wrongdoing or fraud and steps are taken to carry out an investigation. Unfortunately I have heard of cases where the investigation has extended over a considerable period of time which I think any reasonable person would consider an unreasonable length of time. While there may be many outstanding difficulties and perplexing ramifications involved in some of these cases, I think a hardship is worked upon a businessman who has all the responsibility of running a business, paying his bills and collecting from customers when his books and records are taken from him and kept by the department for many months in some cases. I think this is too severe a penalty to impose on a man despite the fact that he may be suspected of fraud or misrepresentation. Although it may mean more expense for the department, I think there is much to be said for either having a photostatic copy made of the books and records or expediting the investigation so that the documents are returned within a shorter period of time in order that the businessman may conduct his business in the ordinary way.

I do not think I would have risen to speak on this occasion if it were not for what I consider the totally unfounded remarks made by the hon. member for Restigouche-Madawaska (Mr. Van Horne) which I believe are completely false.

Mr. Van Horne: Mr. Speaker, I rise on a question of privilege. You would not thank me if I gave you the name of the person who exerted that influence and succeeded in getting his income tax reduced from $286,000—

An hon. Member: Get a soap box.

The Acting Speaker (Mr. Applewhaite): Order. The hon. member is not rising on a question of privilege but is continuing a point of debate.

Mr. Gauthier (Portneuf): He doesn't know what a question of privilege is.

Mr. John Pallett (Peel): Mr. Speaker, I too was not going to speak in this particular debate except to make a few comments. I do not have the experience as a politician that the hon. member for Portage-Neepawa (Mr. Weir) has, but I have a certain training in law and one thing I learned in my training in the law is that if a man is accused of something one of the indications of his guilt is his immediate denial of the accusation.

Mr. Gauthier (Portneuf): You must be a very good lawyer, one of the best in Ontario. That is some philosophy.

Mr. Pallett: Concerning the resolution before the house the question arises as to whether we feel that certain work can be carried out by departmental officials. I recall when the estimates of the department with which the resolution before us deals were before the estimates committee last year the departmental officials were careful to point out that the backlog of work was caught up and they were now in a position to deal with the returns on a current basis. I suggest, Mr. Speaker, that the resolution submitted today merely accepts the representation of the department and puts their word to the test.

We all know that, when we pay our ordinary bills and receive a receipt from the person to whom the account is paid, the account is considered closed. It would seem to me that the law applying to individuals in this country should also apply to the government of the country. When we legislate for the individual we should say that the government are also bound by the same terms.

It was also pointed out in the estimates committee last year that the assessors of the Department of National Revenue bear no responsibility for advising a taxpayer if he has made a mistake in failing to claim certain exemptions. The officials of the department check the returns for mathematical errors to ascertain that the taxpayer has paid everything that is due to the department but they do not feel bound to advise him if he has failed to claim deductions to which he might be fully entitled. Again this is a principle which does not apply to the ordinary individual. If through an error you overpay a person the law prescribes that you are entitled to receive back the amount you overpaid, but apparently that same law does not apply to the income tax department. If you overpay the department through an error they feel under no obligation to advise you as to the amount of overpayment and it is not remitted to you.

I completely support this resolution and I add my remarks to those of the hon. member who said that the parliamentary assistant's representations today do not speak very well for the other Liberal propaganda concerning the high standard of living which this country is enjoying. In the figures concerning the number of taxable returns submitted by the parliamentary assistant there was an admission of the very high percentage of people who do not make sufficient money to actually qualify as taxpayers. In other words they are not making the minimum amount of money which has been established as the basis below which you are not making enough to properly exist and should therefore not be called upon to pay income tax. The figures used by the parliamentary assistant in support of his department could be used equally well as a direct denial of the propaganda which the government has been spreading for the last few years concerning how well off everyone is in this country. The parliamentary assistant also admitted today that those earning $10,000 or less constitute 90 per cent of the Canadian people.

Ten per cent of the people of the country are making most of the money. According to the parliamentary assistant it would appear that the policy of the government is to permit the wealth of the country to be controlled by 10 per cent of the people. I see the Minister of Justice (Mr. Garson) is smiling.

Mr. Garson: I would challenge the hon. member to support his statement of fact with any statistics that will bear examination.

Mr. Pallett: One thing I have learned in this house is that statistics work both ways and no one is so adept at using them as the Minister of Justice. I suggest that the minister look after his own department; I suggest that he see to getting out certain reports that are needed and certain findings by commission that have been asked for by the people. The minister should confine himself to matters concerning his own department.

Mr. Garson: Has my hon. friend any support or foundation for this allegation of fact other than some figment of his own imagination?

Mr. Pallett: It has always been my contention that good government depends upon imagination. If I have imagination I am very proud of it. Statistics are available from a department run by another minister, by a minister who runs practically every department. If the Minister of Justice wants these figures all he has to do is to ask the dominion bureau of statistics for them. They are available and will show that the policies of this government permit the wealth of this country to be controlled by a very limited segment of the population.

The Acting Speaker (Mr. Applewhaite): I think if there is anyone at fault at the moment it is the occupant of the Speaker's chair. I have permitted the hon. member to complete the point he was making but I think the time has come when I should point out to the house that what we are discussing is whether or not there is to be a time limit on the issuance of official receipts under the Income Tax Act. This is a rather narrow subject which has resulted in incidental discussion of other matters under the Income Tax Act, which I believe it was the desire of the house should be discussed under this resolution. However, I am afraid that the discussion of broad policies concerning the proportion of the population who are or who are not paying income tax is a little beyond the scope of this resolution.

I heard the interjection by the parliamentary assistant that this $10,000 figure mentioned in the resolution would apply to some 90 per cent of the taxpayers. That statement was made, but I think we would be going beyond the purport of the resolution if we were to discuss why or why not 90 per cent of the people were paying taxes and 10 per cent were not, or vice versa. What we are discussing is whether or not there should be a time limit on the issuing of finalized receipts for individuals.

Mr. Pallett: Mr. Speaker, I welcome your bringing the debate back to a proper basis, bearing in mind the interruption by the Minister of Justice. In conclusion, may I say that a resolution of this sort providing for the issuing of a receipt after one year deserves the earnest consideration of this house and of the government. According to the government's own admission last year before the estimates committee, the work of the department is current and I think this resolution should be supported by all hon. members.

Mr. G. W. Montgomery (Victoria-Carleton): Mr. Speaker, I do not propose to take up very much time. I was beginning to feel that we were getting a long way from what was intended by the mover of the resolution. Sometimes when you get off the track it results in some of the statements that are made being given a wrong interpretation. I am prepared to support this resolution in the terms in which it appears on the order paper.

I think the hon. member for Portage-Neepawa (Mr. Weir) put his finger on a very important point when he referred to public relations. I doubt if any hon. members can go beyond their own constituencies in speaking of a matter of this kind; I know I cannot. My experience has been that most people are honest and do not mind paying a fair amount of taxes. The complaints that come to me mostly concern people who have made their returns and who feel that things have therefore been wound up. Actually there is no limit on the winding up of these tax matters.

An amendment was approved last year reducing the period from six to four years, but that does not mean very much. Rightly or wrongly it happens quite often that an assessor will come along to a farmer and the minute he announces himself—most of these people are honest—the farmer wonders why he has come to see him and he gets excited. We all know that bad propaganda spreads very fast, and while I admit that this does not happen in all cases there have been cases where people have thought a settlement had been reached but after two or three years the matter is opened up again. In my constituency the assessors have done a fairly reasonably good job, but these matters do create unsatisfactory feelings. It makes the people begin to think that they are all crooks.

Some income tax officials will bend over backwards in order to try to help straighten out matters when approached in the right way, but they cannot go beyond the law and the regulations. When a person disagrees with an assessment made by a tax assessor his only course is to appeal. I am told that in many cases relief is given, but there are many appeals on the agenda. In order to start an appeal a man must put up security and then he has to wait anywhere from one to two or three years before his case is heard because there is such a backlog of appeals to be heard. When the amount involved is only $500 or $1,000 a man may feel that he just cannot afford to appeal his case. He has to have accountants. And, Mr. Speaker, there are many little transactions among farmers

which should never be taken into consideration; they do not amount to a hill of beans. However, once the department gets interested in a case it seems to pile up these little things to an extent that amazes the farmer. The farmer becomes excited; he "gets mad" and immediately suspects the department of "trying to do him." The quickest and easiest way of getting out of the problem is the course he will take, and I am satisfied that a good many people who have to pay $300, or $500 or maybe $1,000 would not have to pay at all if they could get their case to an appeal board within a reasonable time and at a reasonable expense.

That is the way I feel about it and for that reason I consider that this resolution will serve a very useful purpose if it enables the government to consider and reconsider some of these matters. I note that the effect of this resolution is limited to those whose incomes do not exceed $10,000, and I feel that this being the case the government would probably not lose much money anyway, even supposing there were to be some mistakes. The parliamentary assistant to the minister has led us to believe that this taxpaying group is the largest in the country, and if this is so I believe it is time more information was made available regarding it. The figure of $10,000 is, maybe, too high a figure to have specified; it would be interesting to have the views of the department upon a possible alternative figure. But I do think there is a class of people who should be given a final receipt at the end of two years—

Mr. Benidickson: Two years, did you say?

Mr. Montgomery: Yes, two years from the time the income was earned.

Mr. Benidickson: The filing might be in April, and that means just eight months.

Mr. Montgomery: You are presumed to file when the law says you must file. If you are late you have to pay a penalty.

The point I am making is this: There is no final receipt at this moment. At the end of three years there is no final receipt. The department can re-open a case at any time if they wish, and all they have to say is: "We believe you have kept back information; you have treated us fraudulently."

Mr. Benidickson: The crown must prove in court there is fraud.

Mr. Montgomery: Yes, but the department need not lay the charge as fraud and prove it; they need only allege it, and allege they can prove it. In their own minds they might be satisfied they could do so, but actually they do not prove it before they re-open a case.

These are matters which it is very proper to bring before the house and the government for consideration, because I believe there is a lot of misunderstanding about the whole question in the country.

Mr. E. B. Huffman (Kent, Ont.): When I read this resolution over, Mr. Speaker, I was in very much the position of the hon. member for Dauphin (Mr. Zaplitny)—I felt I would like some clarification of what period really is meant. I note that the hon. member for Greenwood (Mr. Macdonnell) does not agree with the impression of the mover of this resolution; also, the hon. member who has just sat down (Mr. Montgomery) has indicated his interpretation of this as meaning "two years". From my own point of view I can understand that there may be some confusion as to the real essence of what is contained in this motion.

One other thing. I think this motion, if it were accepted, would create two classes of taxpayers in Canada. The motion as now worded affects those whose income amounts to $10,000 a year or less. In the 1954 taxation statistics it was shown there were 3,125,100 individual taxpayers; there were fewer than 60,000 taxpayers whose annual income exceeded $10,000. Now, if it were possible for the mover of this motion to accept the suggestion of his colleague from Greenwood that the time limit be extended to two years—and certainly there has been evidence on the part of the government of willingness to close the gap, because only last year it was brought down from six years to four years—some progress might be made. As we note, there is not quite complete agreement at the present time between the mover of the resolution, on the one hand, and the hon. member for Greenwood on the other, and I think we might almost indicate that all individual taxpayers be included in this resolution, in which case we would not be making any distinction.

I have read this resolution over with a great deal of concern because the mover of this resolution is within the same tax office as I am myself. Two or three things were said here this afternoon which I think cast a reflection on all income tax offices. The words "reaching out to control private lives" were used; the words "fill their pockets" were also used. I hope that at no time I will ever be accused of trying to use catch phrases that will leave an aspersion upon those people who are engaged to do a type of job which is not, I am sure, the easiest work to do.

One other thing. The mover of this motion was reading a number of supporting resolutions from different counties, but I note that he did not mention the county from which I come. I do not know whether they did not

support this resolution of a year ago. However, I am of the opinion that something needs to be done, because only this weekend I had a taxpayer at my home whose case is being investigated back to 1942. It is almost impossible for this individual to get all the receipts that are necessary if he is to prove his case. The original assessment was for some $28,000 but after he was able to establish a certain number of receipts, a second assessment of $22,000 was made. Then, after a great deal of effort he secured more receipts, and the third assessment was for $10,000 plus about $3,600 in penalties. During all this time he had been employing an accountant, and I can readily understand why he engaged an accountant after hearing the hon. member for Oxford (Mr. Nesbitt) that lawyers were not very good on this type of case. But this has proved an expensive procedure for this taxpayer to have to follow, and the money he has to pay in defending his case is money that cannot be charged as an expense. While I agree, Mr. Speaker, that this may be departing from the subject a little, I think this is one question which should possibly be considered when the Minister of Finance (Mr. Harris) is reviewing the tax structure.

So, Mr. Speaker, I rise at this time to indicate my interest in this resolution as brought forward by the hon. member for Middlesex East.

Mr. F. E. Lennard (Wentworth): Mr. Speaker, there is just one point I would like to emphasize—the point made by the hon. member for Portage-Neepawa (Mr. Weir) when he said that the Income Tax Department could have much better public relations than it has, and that they should be considered as more friendly to the people whose affairs they have to investigate than they are. I had a personal experience. I may say that I have no personal axe to grind with the income tax department. This happened in 1947. One week end when I arrived home I found a form letter addressed to me and stating that I owed the income tax department a considerable sum of money for the previous year's taxes. Mr. Speaker, if I had had a weak heart at that time, I would not be here to tell you about the matter. I can tell you that I nearly fell through the floor. I did not know where I could dig up this money. I felt that there had been an error but I was not too sure. The accountant who looked after my affairs was away for the week end and I was forced to decide to let the matter go until the next week end. I may say that the department gave me only a few days in which to pay up, or else. However, when I arrived home next week end, I found a letter from the income tax department stating that they were sorry, that they had made a mistake, that they had found my cheque in their files and just to ignore their letter of such and such a date.

Mr. Speaker, I do not object to mistakes. We all make them. But this was merely a sort of slaphappy way of making an apology for a mistake that was made by them. Some person should really have come out to see me personally and to apologize for this mistake. I can tell you, Mr. Speaker, that if I had had a weak heart, as I said before, I would have dropped right there and that is just one instance. From some of the gestapo methods that are being employed today in some parts of the country, I know that is just what should happen. The public relations in connection with income tax should certainly be improved in no uncertain way.

Mr. E. G. Hansell (Macleod): Mr. Speaker, before the debate closes I want to make just one statement. The hon. member for Red Deer (Mr. Shaw) has already spoken on this matter and he stated the position of this group. We are going to vote for the resolution but we do so with some little reservation in that we feel that perhaps one year is not quite long enough to allow before the final and complete receipt is given. With that exception we are going to vote for the resolution. We believe that the resolution is a proper one in principle. There may be some of the details of administration that are not too practical but with that one exception we are going to vote for the resolution.

Mr. Deputy Speaker: If the hon. member for Middlesex East speaks now he will conclude the debate.

Mr. H. O. White (Middlesex East): Mr. Speaker, I wish to thank all hon. members who have taken part in the debate for the contributions they have made. I also wish to thank the parliamentary assistant for his explanation of the problems with which the department are faced. I think the debate has been a fruitful one. The hon. member for Dauphin (Mr. Zaplitny) asked some questions and I shall attempt to answer them. The objective I had in mind was to bring about some finality at some date in order that the taxpayer will know that his obligation to the state has been paid and that he has a receipt to show it. In the resolution I am not asking that a receipt be given for income tax returns supplied to the department but rather, as I say, a receipt showing that whatever he may owe the state has been paid in full. The taxpayer wants an acknowledgment so that he knows that it has been paid in full.

There was some question as to the time and date. What I had in mind was this. For the year 1956 the returns are supposed to be in the hands of the department by this coming April 30. Twelve months from that 30th day of April something final should be arrived at. I appreciate what other members have had to say and what the parliamentary assistant had to say. In introducing the resolution what I had in mind was that we impress upon the government the need for some finality and the need to avoid going over a long period of years—six years or seven years, as the case may be—before the department has reviewed those returns.

Mr. Benidickson: The time was reduced last year from six years to four years.

Mr. White (Middlesex East): Oh, that is not quite the case exactly. While it may seem to the taxpayer that this reduction is going to answer all his questions, he has not any receipt as to any finality. Consequently, while it is welcome, it is not complete. Hence I say that 12 months from the 30th day of April I would hope that the department would have arrived at some conclusion and that the account could be settled. I greatly appreciate the suggestion of the hon. member for Kent, Ontario, (Mr. Huffman) that a two-year limit might be acceptable. As I said, my intention was to bring to the attention of the government the problems confronting individual taxpayers. Again, the hon. member for Kent, Ontario, suggested that this include all individual returns except corporations, companies and so on. As I mentioned previously, the government income tax department draw a line between those who are inside $3,000, $4,000 and $5,000. Consequently I felt that somewhere a line could be drawn. It does not matter where you draw the line, there are those who are just inside and those who are just outside.

Then the hon. member for Dauphin inquired as to the exact meaning. I mean taxable income and I think the vast majority of hon. members rather understood that was what I had in mind.

I appreciate what the hon. member for Portage-Neepawa (Mr. Weir) had to say.

Mr. Benidickson: May I ask the hon. member a question?

Mr. White (Middlesex East): Yes.

Mr. Benidickson: You are now saying that the $10,000 figure meant $10,000 of taxable income?

Mr. White (Middlesex East): Taxable income.

[Mr. White (Middlesex East).]

Mr. Benidickson: In other words, it would involve a lesser number of people than I indicated to the house when I said that 90 per cent of the taxpayers would be exempt from any further concern on their part from the investigating authorities after the end of the calendar year.

Mr. White (Middlesex East): That puts another light on the subject. The parliamentary assistant to the Minister of Finance indicated that would take in 90 per cent of the taxpayers. If we put it at taxable income of $10,000, he says it is going to take in a great many more.

Mr. Benidickson: Yes. You are overlooking the personal exemptions.

An hon. Member: That is all right.

Mr. White (Middlesex East): I will let it go at that, then. Previously I did not have time in which to go into the taxation statistics for the year 1956 but I am going to take a moment or two now to do so. According to the report of 1956—that would be for the 1955 taxation year—I find that some 3,341,490 people in Canada had incomes under $10,000. I said also that the income tax department employed something over 6,000 people. I find that means there was one employee for every 500 taxpayers. It does not appear to me as though the problem would be insurmountable.

Coming back to what the hon. member for Portage-Neepawa had to say about public relations, I may say that we have municipal tax collectors and I have never heard of a case of animosity towards municipal tax collectors in which the affairs of the taxpayer had been handled in such a manner that any blame was attached to them. However, such is not the case in the income tax department. I think the hon. member made a very good suggestion. Probably the department will recognize it and take steps to correct the matter.

Mention was made by the parliamentary assistant that probably I represent a rural constituency. It is true that in years gone by Middlesex East was a rural constituency, but today approximately five out of six people are residents in the city of London. This is the bundle of letters I have received in the last year or year and a half and with the exception of about 10 they are all from business and professional people. Farmers are not inclined to write letters. They will come to see you, but they do not put their troubles in writing. Business and professional people are used to writing letters and consequently one receives more from them.

This motion may be defeated in the house, Mr. Speaker, but I feel certain from the nature

of the discussion on both sides that the presentation of it will have a good effect. I believe I have answered all the questions that were asked and I hope those who feel there is some merit in the motion will support it.

The house divided on the motion Mr. White (Middlesex East) which was negatived on the following division:

YEAS

Messrs:

Argue	MacLean
Balcer	McBain
Bell	McCullough (Moose Mountain)
Blackmore	McLeod
Blair	Monteith
Bryson	Montgomery
Cameron (Nanaimo)	Nesbitt
Campbell	Nicholson
Castleden	Nowlan
Charlton	Pallett
Dinsdale	Patterson
Ellis	Pearkes
Fairclough, Mrs.	Poulin
Green	Quelch
Hamilton (Notre Dame de Grace)	Rea
Hansell	Regier
Harkness	Robinson (Bruce)
Herridge	Shaw
Hodgson	Smith (Battle River-Camrose)
Holowach	Stanton
Huffman	Stewart (Winnipeg North)
Johnson (Kindersley)	Van Horne
Johnston (Bow River)	White (Middlesex East)
Kickham	Winch
Knight	Yuill
Knowles	Zaplitny—55.
Leboe	
Lennard	
Macdonnell	

NAYS

Messrs:

Anderson	Gauthier (Lake St. John)
Applewhaite	Gauthier (Nickel Belt)
Ashbourne	Gauthier (Portneuf)
Balcom	Gillis
Batten	Gingras
Benidickson	Gingues
Blanchette	Goode
Boisvert	Gour (Russell)
Bourque	Gourd (Chapleau)
Breton	Gregg
Brown (Brantford)	Habel
Brown (Essex West)	Hanna
Bruneau	Hardie
Buchanan	Harrison
Byrne	Healy
Campney	Houck
Cannon	Howe (Port Arthur)
Cardin	Jutras
Caron	Kirk (Shelburne-Yarmouth-Clare)
Carter	Lafontaine
Cauchon	Lapointe
Cavers	Lavigne
Dechene	Leduc (Gatineau)
Denis	Leduc (Jacques Cartier-Lasalle)
Deslieres	Leduc (Verdun)
Dumas	Lefrançois
Fairey	Lesage
Follwell	Lusby
Gardiner	MacEachen
Garson	MacNaught
	McIlraith
	McIvor
	McWilliam
	Mang
	Martin
	Masse
	Michaud
	Monette
	Murphy (Westmorland)
	Philpott
	Pickersgill
	Pommer
	Power (St. John's West)
	Proudfoot
	Prudham
	Purdy
	Richard (Ottawa East)
	Robertson
	Robichaud
	Robinson (Simcoe East)
	Rouleau
	Schneider
	Simmons
	Sinclair
	Stick
	Stuart (Charlotte)
	Studer
	Thatcher
	Tucker
	Weaver
	Weir
	Weselak—92.

Mr. St. Laurent (Quebec East): I was paired with the hon. the Leader of the Opposition (Mr. Diefenbaker). Had I voted, I would have voted against the motion.

EDUCATION

EQUALIZING OF OPPORTUNITY—ASSISTANCE TO PROVINCES

Mr. R. R. Knight (Saskatoon) moved:

That, in the opinion of this house, the government should take into consideration the advisability of taking steps to relieve the financial crisis in education, without encroaching in any way on the exclusive jurisdiction of the provinces in this field, by granting financial assistance to the various provinces for the expansion and equalization of educational opportunity across Canada.

He said: Mr. Speaker, I bring forward this resolution, and the house no doubt knows that it is not for the first time. I regret very much that there may not be the time before the house rises tonight to give the matter a thorough discussion, but such time as there is we can profitably spend on it. I bring the resolution forward not for political reasons, not with any geographical bias, but simply because I believe the implementation of this resolution would be a good thing for the children of Canada.

When I refer to the children of Canada may I say, although it may be used against me at a later date—that is immaterial to me—that I am no more concerned with the interests of the children of my own province of Saskatchewan than I am with the interests of the children of Nova Scotia, Quebec, Manitoba or any other Canadian province. The resolution has as its object the establishment of some degree of equalization of educational opportunity for all Canadian children.

Such equality of opportunity is surely the birthright of every Canadian child. The present state of inequality of opportunity in education across Canada is due simply to the lack of adequate finances and the differences in the ability of the various provinces to assist education from their own resources; therefore the resolution suggests that the

federal government should financially support the provinces in such educational efforts as they are now putting forth or which they might decide to inaugurate. The program of education, the subjects taught and the administration of the educational assistance must lie in the hands of the provinces themselves; with that I am in complete agreement. For that reason I have been careful to write into the resolution the following words:

. . . without encroaching in any way on the exclusive jurisdiction of the provinces in this field.

In opposing this resolution in former times when it was discussed the question of such aid not being constitutional was the only argument the government was able or found expedient to produce. Usually early in the debate the government put up a cabinet minister, a sort of government hatchet man, who had the double function of using one end of the hatchet, perhaps the blade end, on the content of the resolution itself, while the handle served as a kind of pointer which enabled the backbenchers on the Liberal side to know in which direction they must go.

I think on one occasion the Minister of Justice (Mr. Garson) led the brigade, in spite of the fact that the premier of his own Liberal province of Manitoba has frequently asked for federal aid for education. On another occasion the Minister of Citizenship and Immigration (Mr. Pickersgill) led the Liberal troops into battle, in spite of the fact that at the very time which he launched his attack the educational expenditure per child in his own province of Newfoundland was $86 as compared with $292 in the province of the minister who sits beside him, British Columbia.

The aforesaid members of the government have faithfully followed the line set by the cabinet ministers, though to my personal knowledge they have followed with increasing reluctance as the years have gone by. One can understand what pressures must be placed on those members who oppose this resolution, particularly in some of the more needy provinces. I am thinking particularly of the maritimes, for I cannot understand how any member representing a constituency in one of the Atlantic provinces could be conscientiously opposed to this particular resolution. However, as I said in a speech the other day, I think we are making progress.

When I came to this house 12 years ago and raised this question of federal aid to education there was a polite, or perhaps not so polite, raising of eyebrows. "What?" they said. "Do we mention education in the federal parliament? This is solely a matter of provincial jurisdiction". But we in this house have come to accept federal grants to various forms of education. We have accepted, and gratefully as far as I am concerned, federal grants for technical education, vocational education, grants to universities, and the very successful D.V.A. plan upon which I compliment the government. Can anyone say conscientiously that the acceptance of those particular grants has in any way involved federal control, or has in any way interfered with the jurisdiction of the provinces in the matter of education?

And what of the present? The people of the United States have a special day or week devoted to practically every subject you can name, and I suppose we tend to imitate them. I know there is such a thing as an education week, and I am going to suggest that in this House of Commons we have had "education week" during the past week at the end of which I speak. Not only do we have the grants I have mentioned, but we have had foreshadowed legislation which is to increase grants for technical education and vocational education, increased grants to universities, the setting up of a Canada Council which is to administer some of those grants and to promote increased expenditures in the arts and sciences, and to administer increased scholarships with emphasis upon the humanities.

What a change has taken place over the years I have been in this house. Those who have conscientiously and persistently advocated these changes might like to take unto themselves some credit for the fact that we have made some advances in this field, but I would suggest that although perhaps we have had some success in popularizing and publicizing the need for federal aid to education, it has been hard economic facts which have in large part produced the change. There is the dilemma in which the municipalities find themselves, the increasing difficulty they experience in carrying on adequate educational services. I think they feel almost unanimously that the basis for taxation for the purposes of education must be broadened in some way or other. No longer can it be put on the uncertain basis of real estate in the local field, as it has been in the past, with the assistance of the provinces which in many cases have not been able to give assistance in full measure. Speaking nationally, there is the growing national consciousness that other nations, some of them opposed to us ideologically, have been forging ahead in these matters while we have been indulging in the niceties of constitutional argument.

I have been encouraged by what I detect as a change in attitude in this house. I have

reason to congratulate the hon. member for Gloucester (Mr. Robichaud). I cannot quote his speech because it was made in another debate, but since it was similar in subject to the present debate I think I can at least refer to it. He was even vociferous in his acceptance of increased grants for technical and vocational training. Those things having been settled, he then turned to the problem in the lower schools and said there was a gap left that must be filled. He did not suggest it had to be filled by federal funds—he has to remember his position—but having made the proper genuflection to the constitution he proceeded to say what this gap was, and it was the need for assistance to secondary and primary schools in his particular district.

What was the solution he offered? I might almost have put the words into his mouth. The solution he offered was that the provinces would have to be urged to give education a great share of the grants which they receive from the federal government.

After all, is that not largely what I have been advocating in this house for years? The hon. member felt, as did another Liberal hon. member, that this should be handled in a delicate way. I appreciate the need on his part for such delicate handling.

I also wish to offer my congratulations to another hon. member of this house who made a very useful and eloquent speech. I realize that he was talking about university grants, another field of education, but he supported the same general principles. He said that every Canadian, no matter what his background or province or racial origin, should benefit equally in the field of education and other fields. He said that was the aim of the government to which he pays allegiance in the making of such grants. He said also that the sooner we placed educational facilities within reach of a greater number of young Canadians, the better it would be for the whole country.

As I said, that might have been an echo of my own voice. In his eloquent speech this member, the hon. member for Dollard (Mr. Rouleau) said he was in warm support of the type of education we were discussing at that time. The hon. member did bring in the constitutional angle and said he would be loath to do anything that was against the constitution. I wish he would rise today and in that same eloquent way support the resolution I have moved. If he did so he would find himself in good company. In a speech such as I am about to make I cannot bring in too much documentation. I have files a foot thick containing everything that everybody has said with regard to this subject over the last dozen years. I have resolutions which have been passed by the Canadian school trustees' association, the Canadian teachers' federation, boards of trade, Legion branches, town councils and, as recently as the last two or three days, the Canadian Labour Congress. The Canadian and Catholic Confederation of Labour presented a brief to the government the other day in favour of university grants.

There are those who would argue that such grants are unconstitutional in terms of the British North America Act. Mr. Picard, the president of that organization, made no bones about his position on these grants. Last Friday evening he was interviewed as part of a news broadcast, and said that in his opinion anyone who was against these university grants would be against old age pensions and family allowances. I have made this same statement in regard to the matter I am talking about today. It would seem that perhaps my case is making some progress.

I have also asked, what about health? I do not think the word "health" is mentioned in the British North America Act; the Minister of Justice can correct me if I am wrong. However, we have grants in aid of health education. We have grants to assist the provinces in the building of hospitals. I do not think anyone has ever raised any question as to their constitutionality. There are other reasons, I suppose.

There is one organization which has made a special contribution to the cause of education, the Canadian school trustees' association. Naturally we would expect that that would be so. I believe it was in 1953 that this association formed a research committee to look into the whole subject of education financing in Canada. This is the book to which I had reference, and I would recommend its reading to any hon. member who is interested at all in this problem. It is entitled "School Finance in Canada" and was published in 1955. It is the report of the Canadian school trustees' association school finance research committee. The man responsible for the organization of this work was Dr. M. E. LaZerte, who is well known to educationists across this country.

When the Canadian school trustees' association had completed this book and had arrived at certain conclusions in regard to the whole matter they decided to interview the cabinet, particularly the Prime Minister (Mr. St. Laurent), in order to plead their case. Whatever his reasons may have been, whether political or constitutional, I think it was unfortunate that the Prime Minister should have refused to receive those gentlemen who came to see him on that particular

occasion. Let us give the Prime Minister credit for being honest when he said that since he considered this matter was not within the purview of the federal government he had to refuse to see the representatives of this influential and widespread organization. I think in more than one way that action was a mistake. That is a serious charge for me to bring, so perhaps I had better document it. I have here an editorial which appeared in the Ottawa *Citizen* of May 24, 1956, reading as follows:

In a recently prepared brief, the Canadian school trustees' association thanked Canada's Prime Minister and cabinet for granting an interview. But the trustees were too optimistic. They had to add a postscript: "Unfortunately the Prime Minister refused to hear the delegation". On parliament hill, it seems, scant recognition is given to any national interest in the well-being of the provincial school systems.

Yet this brief presents powerful arguments for federal aid to education—arguments that cannot be ignored.

May I interject to say that I intend to let this editorial make my argument for me at the moment.

It points out that the kind and quality of education provided in the provinces are of direct concern to Canada's civil service and its armed forces, its economic development and its trade. It states that tens of thousands of teachers have very little academic or professional training, and declares that "without federal assistance it is impossible to staff the schools of all provinces with adequately trained teachers." For the next ten years, about $200 million annually will have to be spent on new schools and renovations. The trustees contend that revenues—federal revenues—from income and corporation taxes, sales taxes and customs duties, should pay part of the cost.

The trustees' brief quotes Dr. Garnet Page, general manager of the chemical institute of Canada—

He is not the first businessman who has given this warning.

—as warning that as a matter of survival Canada must train more mathematics and science teachers and produce more scientists and technicians. It quotes pleas for federal aid from the Canadian teachers' federation, the Canadian federation of mayors and municipalities, a royal commission on New Brunswick's schools and the premier of Manitoba, and it adds its own plea.

It is hardly possible to maintain that these representations are not of national concern. If parliament should decide that it ought to give greater aid to education—on the basis, incidentally, of ample precedents like existing vocational training assistance and research scholarships—it could surely find means that would involve no interference with provincial control of the schools.

I shall proceed in my own words from here. I did mention this book "School Finance in Canada" put out by the Canadian school trustees' association, and I would like to have the permission of the house to put on the record in the form of four columns a sample of the type of research that has been done there. What I have brought down here are four tables, showing respectively the cost of primary and secondary education per pupil in each province; persons teaching without professional training; the percentage of enrolled grade 7 students reaching grade 11, and the percentage of population aged 15 to 19 not attending any school. That is not the way in which this was drawn up originally, but I have chosen these columns as a sample of the work which was carried out.

If you, sir, could secure me the permission of the house to have these placed on the record—

Mr. Speaker: Has the hon. gentleman leave to have these tables printed in *Hansard*, and to dispense with his reading of them?

Some hon. Members: Agreed.

Mr. Knight: Thank you, Mr. Speaker. The tables are as follows:

	(Table 53) Cost of primary and secondary education per pupil 1951-52	(Table 21) Persons teaching without prof. training 1952-53	(Page 25) Per cent of enrolled grade VII students reaching grade XI 1951-52	(Page 23) Per cent of population age 15 to 19 not attending any school (1951)	
				Rural	Urban
Newfoundland	$ 86.11	432	45.6	65	58
Prince Edward Island	88.70	85	34.1	61	56
Nova Scotia	120.25	519	37.5	57	53
New Brunswick	153.58	648	22.4	63	54
Quebec	139.48	1,643	(C) 9.4 (P)41.8	78	65
Ontario	190.82	334	42.3	60	55
Manitoba	167.65	263	42.0	60	52
Saskatchewan	196.44	693	39.2	52	45
Alberta	198.76	475	49.6	50	49
British Columbia	292.58	50	58.9	50	47
Canada	—	—	—	63	57

Table and page numbers above have reference to the report of the Canadian school trustees association school finance research committee, "School Finance in Canada", published, February, 1955.

If we are to have and retain good teachers we shall have to pay them. That goes without saying. I imagine that hon. members of this house take a good deal of care with regard to the qualifications of the doctors who deal with the bodies of their children, but they are not quite so alert to the necessity of qualification among those who cater to the children's minds. Let me say, too, that in this field, we get very much what we pay for; I think there is a close cost-quality relationship, if I may use that term, in education just as in other things. Oh, I know there are those faithful souls who for the love of the work and the love of the community work for nothing or next to nothing, but generally speaking this is not the case. I am talking particularly about male teachers, and I think it is important that there should be more male teachers. I do not want to discuss the psychological reasons behind that statement, but I think boys of a certain age probably need men teachers. But you cannot get men teachers who are prepared to deny themselves their own right to live in decency, to bring up a family and provide in turn for the education of their own children.

The supply of teachers is not keeping pace with the increase in child population. High school teachers are almost impossible to obtain. I know district after district which at the present time is using inferior teachers, men or women not qualified to teach high school at all, because no others are obtainable. The people who live near such schools are waking up at last. I think most people in Canada have begun to show an increased concern about this problem. They know that increasing thousands of children of both public and high school ages are crowding the school doors, and they know we have not the facilities to accommodate them. Let us face that fact. And this crowding will increase progressively over the years. We have a scientific deduction, if such a thing is possible, made in this very book as to what the school population will be in the future; there is an estimated increase, over 1952, of 70 per cent in primary schools and 75 per cent in secondary schools by the year 1965. No one can tell me that the facilities we have now will be adequate to provide the number of places necessary to accommodate and educate this growing stream of young people. They are asking us for bread; we cannot give them a stone.

I wonder if it would disturb the constitution too much if the federal government were to assume some of the capital cost of schools, where the need exists, in the same way they do with regard to hospitals. They do it for hospitals; why not for schools? I admit that health is perhaps more important than education because, after all, one has to be alive; but after that I think we could do with a little education.

In most of the provinces, of course, the answer I am going to get from my hon. friends is, "What about the provinces who have sole jurisdiction over education? What are they doing?" Well, they are doing their best. Sometimes their best is not sufficient, as many members of this house very well know. The provinces have increased their grants, and I am glad to see that my own province of Saskatchewan, also the province of Quebec, have increased their grants substantially. However, many of the provinces have reached the limit of the taxes they can raise on property. In my own province—and let me emphasize again that I am not pleading for my own province, or for my own province only, but for the children of Canada—school tax arrears jumped from $5 million at the end of 1953 to $10 million at the end of 1955. These are tax arrears. The municipalities and provinces have reached the end of their resources, and only the federal government is left to come to our aid. The public of Canada would, I am quite sure, support this plea I am making for the granting of federal money for education, so long as no interference with provincial responsibilities was implied.

The last sentence contains the key to the whole situation. When will my hon. friends realize that nobody in the world, as far as I know, has any designs to interfere in the control of education? What is taught, how it is taught, where it is taught or anything else of that kind lies within the jurisdiction of the province; all we want to do is support the hands of those people within the provinces who are trying to educate these children. That is all we want to do, and it is entirely a financial problem; administration and curricula are entirely provincial responsibilities and long may they so remain.

To strengthen my argument I could have quoted educationists on this occasion. I have quoted dozens of them on previous occasions, and no notice was taken; their words have been ignored. Thus, for today, I have chosen someone who, although a scholar, may, through the fact that he is a businessman and a successful one, appeal more to some of my hon. friends. I said, "to some". Speaking of teachers and professions, he says this:

> We are failing to give a reward consistent with either equity of incentive and we are therefore endangering the future welfare of our whole economy.

That is the end of the first quotation. The gentleman I refer to, and from whom I have quoted, is Mr. James Muir, chairman and president of the Royal Bank of Canada. He also said, and I quote from the Montreal *Gazette* of January 11:

> Our duty as citizens is not to direct educational policy, but to ensure that our educational system is provided with the financial tools to do the job which, in the next ten years or so, it will be called upon to do.

May the government rise to that challenge. With those words, sir, I think I shall conclude.

Mr. Maurice Breton (Joliette-L'Assomption-Montcalm): Mr. Speaker, I believe it is my duty to oppose this resolution by the hon. member for Saskatoon (Mr. Knight) for the following reasons. The present government proposes to create a fund of $100 million to help universities in this country, and to provide $60 million yearly in subsidies to the same universities. This step represents considerable progress, and I do not think it would be wise at this time, financially speaking, to go further than that.

The second reason is this. By way of new fiscal agreements with the provinces the federal government will increase its payments to these provinces by an amount of about $127 million a year for five years. The provinces which feel the need of increasing their grants to their educational system may do so with the money provided by the new fiscal agreement.

In the third place, the resolution that is actually before the house would provide grants to the provinces for the purpose of expansion and equalization of educational opportunity across Canada. This means that some conditions should be attached to these grants.

I may say the fourth reason is this, Mr. Speaker. The fact is that some provinces actually challenge the right of the federal government to take money from the general fund in order to provide help in education. It is true that actually the federal government proposes to help universities but I submit that this help is given for culture and not for education. I do not think it would be wise to go further than that and invade the field of education that is represented in primary and secondary levels. Besides that, I believe this resolution infringes on the legislation the government is proposing to bring in this year in the field of culture. For all those reasons I believe it is our duty to oppose it.

Mr. G. C. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, this resolution which is now before the house has been discussed on various occasions in the past, and I do not propose to take much of the time of the house at this particular moment. I think the hon. member for Saskatoon is to be commended for having brought this matter to the attention of the house on the various occasions on which he has done so, and for the forceful arguments he has advanced in support of the resolution.

I know of one general attack which can be made on this resolution. It is one which was made last year by the Minister of Citizenship and Immigration, who was the hon. gentleman who replied to the hon. member for Saskatoon. I happen to have been sitting here at the time. I remember the debate. He discussed the provincial autonomy problem with respect to education in the Dominion of Canada. There is no doubt, Mr. Speaker, that an argument could be made with respect to provincial autonomy.

Speaking for myself and for all members of the party to which I belong, may I say this. If we believed that the implementation of this resolution would result in an infringement of provincial autonomy in the field of education, then certainly neither I nor any of the hon. members associated with me would give it support. But you have two answers, I think, to that argument.

In the first place the resolution itself, as it is now before the house—and I think it is in slightly different form than the resolution which was introduced some years ago—specifically provided for the exclusive jurisdiction of the provinces in the field of education. That provision is written into the resolution. Therefore such members of the house as see fit to support this resolution can do so without any suggestion that they are attempting to impinge upon the exclusive jurisdiction of the provinces in the field of education.

Then you have the British North America Act itself which, in section 93, states that in and for each province the legislature may exclusively make laws in relation to education. Hence you have a double-barrelled protection, Mr. Speaker. In so far as the resolution is concerned, we have written into it the provision that this shall not interfere with provincial autonomy; and we have the British North America Act itself which says that the provinces shall have exclusive jurisdiction in making laws with respect to education. I therefore frankly cannot see the validity of the argument that the acceptance of this resolution necessarily impinges on provincial jurisdiction in the field of education.

I can see where, if it were handled in a way in which no government would handle it, terms and conditions possibly could be attached which would interfere, or would tend to interfere with the field of education in so far as provincial jurisdiction is concerned, but no government would think of

doing such a thing. No matter what party might be in power in this parliament in the years to come, it would not think of doing such a thing. We all recognize the fact that to the province is given, and properly so, exclusive jurisdiction in the field of education. Surely it is possible for a government, as this government is doing every day, to make grants to a province without impinging upon the jurisdiction of the province and making it a vassal or fief or controlling it in any shape or form.

Mr. Garson: Would the hon. member permit a question?

Mr. Nowlan: Yes.

Mr. Garson: Would he think it is possible for the federal government to make moneys available in the large sums in which apparently, from the arguments that have been made, would be required, without taking any precautions whatsoever to see whether they would be spent in a prudent and proper manner, and to provide for any federal supervision which might be regarded as necessary to that end?

Mr. Nowlan: That is an involved question, Mr. Speaker. It is like every other question a good lawyer might ask. It is one to which it is rather difficult to answer either yes or no. But certainly if one were obliged to answer it as briefly as that, I would say yes, for this reason. You are making a grant to a responsible provincial government without attaching terms and conditions to the grant.

I think one condition which would have to be attached is that it be expended in the field of education, as undoubtedly—I shall finish this sentence and then call it six o'clock, Mr. Speaker, if I may—this government proposes to do with respect to the Canada Council. Although we have not the bill before us yet, apparently we are going to grant to the Canada Council a principal sum of $50 million; and the income is going to be used by the Canada Council, I suspect, without too many terms and conditions being attached by this parliament.

Certainly with provincial governments of the stature and status we have in Canada today it is possible for this government to make grants to provinces in the field of education without in any manner directing the way in which the provincial governments may administer them in the field of education itself.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Nowlan: When the house rose at six o'clock, Mr. Speaker, I was suggesting that it would be possible to carry out the terms of this resolution without infringing upon the exclusive jurisdiction of the provinces in the field of education. As I said, there are ramifications that could be debated in this way or that, but the primary point is that grants should be made to the provinces for education purposes, and that having been done that the administration of those moneys could be left within the jurisdiction of the provinces, as has been done in so many cases in the past with federal grants.

The hon. member who preceded me in this debate this afternoon suggested that there should be no further consideration of this resolution at the moment because of the fact that the Canada Council grants were before the house and they took into consideration the portion of the education field which was contemplated by this resolution. It is true that the proposed measure with respect to the Canada Council will assist the provinces in the field of education, and to that extent the measure deserves the support of all members in the House of Commons and of the people generally. The resolution before us considers the field of education with respect to the primary and secondary school level, as I see it. It is a matter of the provincial responsibility with respect to education, and certainly the proposed grants through the Canada Council would go toward assisting universities. They would in no way assist the provinces with respect to the primary or secondary school level.

The hon. member went on to say that in so far as the provincial responsibility was concerned, that was something the provinces had to meet out of the payments which were being received from the dominion treasury or from other sources of revenue. It may be, Mr. Speaker, that there are provinces in Canada which can meet the demands of primary and high school education out of funds which are available to them either through the fiscal payments from the dominion treasury or from their ordinary fields of revenue, but certainly that is not true of every province. It is not true of my own province, because it was only six or eight months ago that the then premier of Nova Scotia, the head of the Liberal government of that province, pointed out that even under the new fiscal arrangements the amount the province would receive would be $5 million

short of the bare minimum required to meet the services and governmental responsibilities of Nova Scotia.

When you consider that according to the bureau of statistics the school population of this country, and I am speaking not of the universities but of the primary and secondary schools, over the period between now and 1960 will be increased by over 100 per cent, and when you appreciate all the burdens that will impose upon the municipalities and the provinces, it suggests that certainly my own province could not meet this additional burden out of the revenue which it will now receive. I doubt if there is any province in Canada that can do so. I think the time has come, therefore, when the dominion government should give most careful consideration to this resolution, which has been discussed on so many occasions in the past.

One could indulge, if one wanted to do so, in a discussion of the whole problem of education. I do not propose to do that at the moment. But I should like to say one word, not only about the fiscal demands for plant and equipment but the demands upon the teaching profession in the various provinces of Canada as well. I believe every hon. member in this house knows that the teachers in our primary and secondary schools are making tremendous sacrifices, and that the great majority of them could go into fields of private endeavour and earn more money than in the field which they are occupying. They continue this work because they have a service to perform, and they are performing a remarkably good service. These teachers cannot get the salary range which they deserve when the fiscal arrangements with respect to provincial finances are frozen, as they are at the moment in the various provinces of which I have knowledge, and certainly those in the east.

Therefore, without taking further time of the house at the moment, I do want to say for myself, and I believe for all members with whom I am associated, that we are heartily in accord with the purpose of this resolution. We believe that sooner or later the purport of this resolution will be developed into specific enactments by the parliament of Canada. We feel the time is long since passed when more steps should have been taken than have been up to the present, and I do feel that the government of Canada facing this situation should deal with it in an objective way. If there are no more valid reasons against the necessary action than the question of provincial autonomy, which was raised at one time by the Minister of Justice and at another by the Minister of Citizenship and Immigration, then I think the parliament of Canada should take some steps in this direction during the present session.

Mr. C. W. Carter (Burin-Burgeo): I should like to commend the hon. member for Saskatoon for his persistence in focusing our attention on this very important problem of education. Last Thursday we devoted a whole day to debating a resolution proposed by the hon. member for York Centre (Mr. Hollingworth) which dealt with some aspects of this problem. I feel it is fitting that we should follow up that debate with another one today concerning a similar resolution which affords an opportunity of discussing points not previously covered.

The resolution under debate reads as follows:

> That in the opinion of this house, the government should take into consideration the advisability of taking steps to relieve the financial crisis in education, without encroaching in any way on the exclusive jurisdiction of the provinces in this field, by granting financial assistance to the various provinces for the expansion and equalization of educational opportunity across Canada.

As I compare this resolution with those of previous years I believe I can detect a slight change in emphasis. The earlier resolutions placed emphasis on the attainment of equality of opportunity, while the present resolution seems to emphasize the need for relieving the financial crisis in education. While equality of educational opportunity is a consummation devoutly to be wished, in my opinion it is one that can hardly be attained in a vast country like Canada, with so many different political jurisdictions, with such great variations in natural wealth, and with such great variations in geographical conditions.

The hon. member for Saskatoon pointed up this difficulty when he compared the per capita expenditure of $86 in Newfoundland with $292 per student in another province. Any grants the federal government might make available to the provinces for education would serve only to maintain this inequity unless, of course, the grants were made on a basis of need, in which case the province with the highest standard would not receive any assistance at all.

Instead of thinking in terms of educational opportunity, I believe it is more realistic to think in terms of minimum educational requirements, or of providing a minimum degree of educational opportunity because educational opportunity is not directly related to money or to per capita expenditures. We all know of cases where people with the same educational opportunity have had varying degrees of success in the outside world and have made very different contributions to the country in general. Neither is there any

assurance that we are even now receiving full value for the money we do spend on education. The dean of the law school of Columbia University recently made references in his report to the calamity of graduate students who came to Columbia law school without being able to read and write intelligently, and we have heard similar criticisms from the presidents of our own Canadian universities.

It would appear, therefore, that the crisis in education is not wholly financial. Certainly part of the crisis is inherent in the system itself, and I believe the time has come when our educational system should receive a thorough overhauling. Perhaps we shall find that we still have a horse and buggy system of education in a motor age.

Part of the crisis also is due to the shortage of teacher supply, and it has been found, in my province at least, that additional money and increases in teachers' salaries are not the complete solution to this problem. Be that as it may, there is no doubt that a very considerable part of the crisis is financial. This is true even in the richest provinces. How much more is it true in the poorer provinces, especially in the Atlantic provinces, and in my own province in particular it is truest of all.

In Newfoundland we have from 100,000 to 120,000 children in our schools. The provincial government is spending $10 million on education out of a total budget of $42 million, and this sum does not take into consideration the very considerable amount of money paid in fees, in donations by organizations and in free labour in the construction and maintenance of school buildings. If we could put an assessment on these extra values we would probably find that they would total over another $1 million. It has been estimated that in 25 years our population in Newfoundland will double. That means an extra school population of 100,000 or 120,000 to be provided for. That means an extra 3,500 classrooms to be built. At $15,000 a classroom this amounts to somewhere around $60 million, or around $3 million per year just on new buildings alone.

Our child population in Newfoundland is increasing more rapidly than in any other part of Canada. It is increasing so rapidly that it has been estimated that an extra 170 teachers per year will be required to take care of the increase in classroom population. This, together with replacements because of retirements, death, marriage and transfers from the teaching profession to other occupations, bring the total of new teachers required yearly up to 600, and we have facilities for training fewer than half that number.

If we think in terms of minimum educational opportunity I think it would be worth while to look forward to the graph of intelligence based on the normal intelligence quotients of the human race. Generally speaking we find that such a graph tells us that about 5 per cent of our population have superior intelligence. I do not know just how many children are in all the classrooms in Canada, but perhaps there would be 4 million. That means one-twentieth, or 5 per cent, of those should be in our universities, and if they are not there this constitutes a tremendous waste of brainpower in our country. In my own province of Newfoundland, with a population of 400,000 and a school population of say 100,000, we should have 5,000 students receiving university training. These are the people best suited for the learned professions from which the country will draw its lawyers, doctors, dentists, engineers and scientists and teachers.

We cannot do without these. Another 5 per cent or 5,000 still could profit from university training and should be able to obtain it.

At the other end of the scale we have 5 per cent representing children who because of their mental condition require special facilities for educational training. That is a field where practically nothing at all is being done at the present time. Between these groups we have varying degrees of intelligence which must be trained to the maximum in order to enable them to take part in the economic and social life of our country.

How can the poorer provinces cope with the terrific financial expenditures involved in the educational field? I know it has been suggested that the federal government might turn back to the provinces certain sources of taxation. That might be very well in the case of some provinces. It might help to solve the problem as far as Quebec and Ontario were concerned, and possibly also as far as Alberta and British Columbia were concerned, but it certainly would not begin to solve the problem in the maritime provinces in general and in Newfoundland in particular. We simply do not have the taxation resources to yield the required revenue even if the federal government turned back certain sources of taxation to us.

What then is the alternative? The problem in the case of the poorer provinces is that they simply do not have the money or the means of getting it. The only possible source of money is the federal government, but federal financial aid for education involves some very real difficulties.

I listened to the hon. member for Digby-Annapolis-Kings as he spoke a while ago, and I find myself unable to go along with

him in the easy manner in which he soared over the obstacles that present themselves in connection with this problem. The trend of thought developed by the hon. member is based on the assumption that the present order of society, so comfortable for us in Canada, is destined to continue and endure forever. As much as I would like to believe that, I do not think the hon. member's easy optimism is in accordance with reality. The poet Tennyson has said, "The old order changeth, yielding place to new", and at no time in the history of mankind was that saying truer than at present.

Let us face the facts. There are two and a half billion people in this world, but less than one-half billion find it a comfortable world, or find our present order of society one they wish to preserve. In my very own riding there are 40,000 people who do no find this present order of society very comfortable. For over two billion of the earth's inhabitants it is an extremely uncomfortable world indeed, and these two billion people, or 80 per cent of the entire human race, desire a change. Furthermore there are 800 million communists in the world who have dedicated their lives to changing our present order of society. We are wasting our time in trying to preserve the status quo. Change is bound to come, and a new order of society is inevitable. We cannot hold it back, any more than we can hold back the ocean with our hands. The only thing we can do is to help shape it in the way we wish to have it, and that is why education is of such paramount importance. That, I think, is fact No. 1, a fact which no one can dispute.

Fact No. 2 is that there is a great deal of apathy, indifference and self-satisfaction abroad in our land. Fact No. 3 is the trend toward shifting responsibility to other people. We say, "Let George do it," and in most cases the "George" we have in mind is the federal government. The fourth fact is the trend toward bigness, toward bigger and bigger business, toward bigger and bigger government. We see this trend persisting even at the cost of personal freedom. To me these are danger signals, and if persisted in these trends will inevitably result in the destruction of our way of life.

I agree with the hon. member for Digby-Annapolis-Kings that there is no danger foreseeable in the lifetime of the present generation, or during the time this government might be in power or during such time as any party in this house might be in charge of the government of our country or during the time any of the personalities in this house might dominate the political scene in Canada. But we know that time, like an ever-rolling stream, bears all its sons away. Old parties pass on, new parties take their place.

Some hon. Members: Hear, hear.

Mr. Carter: Personalities disappear and new personalities come on the scene.

Some hon. Members: Hurrah.

Mr. Carter: If the present trends are persisted in, who can say what type of personality will dominate the political scene in Canada in 40 or 50 years' time? We all know what happened in Italy and Germany when education came under the direct control of such personalities as Hitler and Mussolini. Who says it cannot happen here? I do not want to appear as a prophet of doom, but I think if we face facts honestly we cannot rule out the possibility of such events occurring in Canada.

There is one other fact that we must always bear in mind. Once education in the provinces becomes dependent on federal funds, that condition will always remain. I do not see how there will ever be in the future an opportunity for the provinces to take back that burden from the federal government. Despite the Canada Council, education in the provinces, once it becomes dependent upon federal funds, will also be dependent upon the personality that controls the purse strings. Therefore I believe the premier of Quebec has a point when he maintains that federal aid for education involves not only constitutional difficulties but dangers as well.

What then is the answer? There seems to be no positive answer. It is rather a choice between two evils. In finding an answer we must follow certain well established principles, such as the importance of the individual, the country's need and what the national interest demands. We must put first things first. I submit that the national interest demands that this problem of education must be solved somehow in spite of whatever dangers or risks are involved.

The resolution states that whatever grants be made available should not interfere with provincial jurisdiction, which would indicate that perhaps one of the ways of approaching a solution is by making grants available for educational plants, for building construction and maintenance. Certainly in a country like Canada, with all of our vast natural resources, given mutual good will it should be possible to find a solution which will enable federal aid to be made available together with the proper safeguards to minimize the risk involved.

Mr. J. A. Smith (Battle River-Camrose): Mr. Speaker, I wish to compliment the mover of this resolution, the hon. member for Saskatoon, for again bringing before this house and the people of Canada a matter of such great importance. I listened most intently to the remarks of the last speaker. With some small portion of what he had to say I must say I can agree, but with the larger portion of what he had to say I must disagree. I agree with him in that I feel that we in Canada should place first things first. To me one of the first things that we as a nation of intelligent people should consider is the education of our young people. That should be something we as a group of people should consider as one of the first demands on all levels of government.

All the ten provinces of Canada are today faced with two problems of major concern in the field of education. The first is the drastic shortage of qualified teachers in each and every province, and the second is the lack of modern school plants to cope with an ever-increasing school population. A few years ago the Canadian school trustees' association embarked upon the preparation of a report dealing with school finances in Canada. The committee in charge of this particular research was headed by Dr. M. E. LaZerte, former president of the Canadian teachers' federation, former president of the Alberta teachers' association; former dean of the faculty of education at Alberta and now, I am given to understand, dean of the faculty of education at the University of Manitoba.

Dr. LaZerte and his committee made a most extensive survey of the whole matter of school finances, and ended up with a recommendation which pointed out vividly that there was room for federal aid to education in Canada. I do know there is no apathy, especially in the west, when it comes to federal aid to education. Every social club, every organized group of men and women in western Canada by and large has passed resolutions calling upon the federal government to give federal aid to education.

Dr. LaZerte brought forth some startling figures in his studies. In one place he dealt with the probable increase in secondary school enrolment in Canada. He secured figures from the dominion bureau of statistics which indicated that from 1952 up to 1964 and perhaps longer there would be a tremendous increase in the number of students enrolled in Canadian high schools. He pointed out that in 1952 there were 305,200 students enrolled in Canada—with the exception of Quebec—in grades 9 to 12 or grades 9 to 13. This figure increased as the years went on and we find that in 1955 there were 345,850 high school students in Canada. It was estimated by the dominion bureau of statistics that by 1964, there would be well over 600,000 students registered in high school courses in Canada.

That figure of 600,000 for 1964 is an increase of approximately 200,000 over the figure for 1955. Two hundred thousand more high school students will mean 8,000 more classrooms to be constructed at an estimated cost of $15,000 per room, and 8,000 new teachers to handle those 8,000 additional classrooms and this with Canada facing a very drastic shortage of fully qualified teachers. We as Canadian people I hope will exert greater and greater efforts to see that all our young people are given at least a basic high school training.

The 1951 census indicated a very gloomy picture regarding school attendance by our young people. It indicated that of young people in Canada between the ages of 15 to 19 years, 63 per cent of those residing in rural areas were not in attendance at school and 57 per cent of those living in urban areas were not in high school. Where were they? They were certainly not at school receiving the type of education that would make them better and more capable men and women; they were out working. What was the reason? Did those young people representing 63 per cent of those residing in rural areas not desire to go to high school? I do not think so. I feel that they found it impossible to do so.

As has been pointed out, we spent the whole of last Thursday in a comprehensive and inlightening debate on the advisability of establishing national scholarships for worthy university students. I am certain, Mr. Speaker, all hon. members will agree that educational opportunity for young people should be made uniform right across Canada. The view has been expressed here that it would be impossible to introduce a uniform standard of education throughout Canada; but, Mr. Speaker, I have never yet felt that anything was impossible. Certainly we should be striving for a uniform standard of education, the best standard that we as Canadian people can give to our young citizens.

I am prepared to admit there are certain sections of Canada which find it far more difficult than others to finance education. I know that even in the wealthier provinces the provincial governments are finding it increasingly difficult to provide the ever-increasing amounts of money needed for this purpose. The fact that we do have a wide disparity of wealth in Canada, Mr. Speaker,

I regard as a strong argument why the federal government should enter this field and attempt to do something to ensure that a child in the poorest province in Canada should have an opportunity to receive the same type of education as one in any of the wealthier provinces.

The following figures, Mr. Speaker, are cited in the report of the research committee of the Canadian school trustees' association with regard to the provincial effort in education during the year 1951-52. They deal with combined provincial and municipal expenditures on elementary and secondary education in the nine provinces of Canada with regard to which they were able to obtain information. The committee point out that in Newfoundland the amount per capita spent on education in this particular year was $19.61; on the other hand, they point out, the per capita income of that province in that year was only $576. In Prince Edward Island the per capita amount spent on education was $16.84, and the per capita personal income, $633. Nova Scotia spent $25.61 per capita; the average income was $781. New Brunswick spent $29.41; average income, $711. When we move west, we find that Ontario spent $33.52 per capita on education; average income, $1,341. In the western provinces, Manitoba, with an average income of $1,110 spent $28.29 per capita on education. Saskatchewan, with an average income of $1,306, spent $39.34; Alberta, with an average income of $1,251, spent $39.42, and British Columbia with an average income of $1,256 spent $45.34.

All this means, Mr. Speaker, that it costs money to educate the young people of Canada. It does cost money, though not as much as it should cost the people of Canada, by any means. It means that in those provinces where there is a low average income the per capita amount spent on education is low; that the young people in those provinces are not getting the education they deserve as young Canadians. I say it is high time the federal government realized that this situation is one they should deal with in the interests of young Canadians and Canadians in general, rather than sit piously by doing nothing.

Mr. Speaker, it has been suggested that if the federal government were to enter the field of federal aid for education we would eventually reach a position where the federal government was the dominating authority. That is not necessarily true. We already have, at the present time, a position where the federal government is giving money, earmarked for specific social purposes, to the provinces, though the management and administration of those social services are in provincial hands. The federal government has already entered the field of education, with or without the consent of the British North America Act. Only last week a conference was held here in Canada to discuss vocational education and increased aid for vocational education in the ten provinces of Canada. We know that this year the federal government proposes, and rightly so, to give large sums to the universities of Canada in the way of construction grants. We know that following the war the federal government provided education—and rightly so—for many of the young men returning from world war II. The Canada Council plan has already been mentioned.

As I have already pointed out, this resolution has been before the house for a great many years. It is one which should, I feel, receive more than mere consideration by the government and hon. members; it should be acted on by the government now.

In a submission which was supposed to have been made to the Prime Minister at one time, the Alberta school trustees' association and other associated bodies would have made this recommendation to the government. I quote:

> It is now recommended that federal grants to the provinces in aid of education be greatly increased and that they be "general" instead of "special" in nature.

—in other words a grant to be made to the provinces to be spent on education as the provinces saw fit. Quoting still further:

> That to assist in financing elementary and secondary education the federal government be requested to give aid to the extent of $150 million per annum at the present time, one-third of this aid to be on a "per pupil" basis and two-thirds as equalization grants to provinces with low tax-paying ability, the latter payments to be proportional to provincial needs.

The principle of giving grants according to the need of an area is already recognized in many of the provinces across Canada. We have in the province of Alberta equalization grants which are given to school divisions which are not as fortunate as others. The wealthier a school division is, the smaller these grants are. The more unfortunate it happens to be, the greater the grant which it receives. I would suggest, Mr. Speaker, that many of the "straw men" who have been put forward from time to time in opposition to this resolution are merely political straw men, and that if this government were so disposed it could immediately call in the ministers of education of the ten provinces, and they would soon arrive at a fair and equitable system of granting federal aid to all the provinces of Canada.

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, in rising to take part in this debate I should like first of all to congratulate those who have preceded me for the important and eloquent contributions they have made. It is quite natural, in my opinion, that they should have done so, having regard to the fact that this subject matter has been before us on previous occasions and we are all, in a manner of speaking—and I am sure this applies with particular force to the hon. gentlemen who introduced this resolution—producing variations upon a theme by the hon. member for Saskatoon.

I could not help thinking, however, that amongst all those who have spoken, perhaps the hon. member for Battle River-Camrose, who has just taken his seat, has contributed more than has any other hon. member to a sort of basic understanding of the nature of this resolution, by the moving plea he put forth on behalf of the poverty-stricken province of Alberta for assistance from the federal government toward the support of its primary education. When, as he eloquently and cogently pointed out, this was what he was seeking, we had here a revealing measure of the nature of the resolution before us.

Another feature of the debate which struck me as being rather encouraging was to have the hon. member for Saskatoon quote, with no inconsiderable approval, Mr. James Muir —I think he is still president of the Royal Bank of Canada, or chairman of the board —and then to find myself in agreement with both of them on the point upon which Mr. Muir was quoted, namely that Canada should spare no effort as a nation to provide the best possible education that we can provide for all Canadians. If I recognized the quotation, this part of which my friend the hon. member for Saskatoon did not quote, I think one of the reasons was that Mr. Muir was apprehensive as to whether the free world was maintaining an educational system which could be compared with that of the unfree.

The hon. gentleman who introduced this motion stated, and it was quite unnecessary that he should have done so, that he was no more interested in the children of Saskatchewan than he was in those of any other province. I think we all approach this subject as Canadians with a desire to get the best system of education we can by means which are reasonably acceptable to all parts of our country. I read the wording of the motion:

> That, in the opinion of this house, the government should take into consideration the advisability of taking steps to relieve the financial crisis in education, without encroaching in any way on the exclusive jurisdiction of the provinces in this field, by granting financial assistance to the various provinces for the expansion and equalization of educational opportunity across Canada.

I should like to submit, Mr. Speaker, that the provision which has already been made by this government is the only way we can bring ourselves within the language of this resolution, especially the clause "without encroaching in any way on the exclusive jurisdiction of the provinces in this field." In other words I should like to submit that the provision which has been made is the only provision which can be made which does not encroach upon the jurisdiction of the provinces.

I say that because, as is well known, the fiscal arrangements we now have between the federal government and the provinces are the product, in large measure, of the recommendations of the Rowell-Sirois commission. I do not think we have ever had before in the history of Canada a royal commission which could compare with it in the way its recommendations and the matter which supported them have stood examination, and the validity of whose findings in spite of the passage of time has continued to be sound and unchallengeable.

When he says that our job is to provide the provinces with the financial resources to do the job, I should like to point out to my friend the hon. member for Saskatoon that we have set out to do that in accordance with the recommendations of the Rowell-Sirois commission; that we have in a large measure succeeded; and that the only way in which my hon. friend can acquire argumentative validity for his submissions to the house today is by shutting his eyes completely to what has been done with regard to implementation of the Rowell-Sirois commission report. For example, he says he wants the federal government—and if I am misquoting him I hope he will correct me—which has made grants to Canadian universities, to make to the support of primary education further grants of the same kind as those they have made to the universities. He says if they can make them to the one, they could make them equally well to the other.

I submit to him that it is one thing to make grants to the universities of Canada which constitute, when they are received, a minor part of their income, and which are made to institutions which are fully autonomous, self-supporting and self-governing; but it is a different thing altogether to make grants, which would be a large part of the

income of the primary schools of the province, to provincial governments whose provincial departments of education actively control, supervise and make policy for the whole primary school system of the province.

I am sure the hon. member for Saskatoon, as a school teacher versed in the history of our country, would be one of the first to agree with me when I say it is not an accident that, at the time of confederation, in the distribution of powers under the British North America Act the legislatures of the provinces were given exclusive authority to make laws in relation to education. This, Mr. Speaker, was a deliberate provision upon which certain of the fathers of confederation insisted as a condition to the formation of the Canadian federation in order to protect their religion, their language and their way of life.

The point of this is that primary education is concerned entirely with the instruction of the young during that highly formative period of their lives, which instruction, as the Rowell-Sirois report points out, is of decisive importance with regard to religious training and the preservation of language and culture. Let me quote from volume II of the Rowell-Sirois report:

> We have already said that the instruction of the young during their formative years is a matter which the provinces must continue to control (subject of course, to the safeguard for religious minorities provided in the British North America Act and amendments). A free hand in something so important to the social and cultural life of the people seems to us to be vital to any provincial autonomy worthy of the name, and it is obvious that any attempts to alter the existing arrangements would meet with powerful opposition and would provoke profound resentment.

In relation to that quotation, Mr. Speaker, I would point out that if federal grants were sufficiently large to be worth while to the provincial governments which received them, the dominion treasury simply could not defend handing those large sums of money to the provincial governments without assuming some responsibility as to the manner in which they would be spent. The hon. member for Digby-Annapolis-Kings said that would be a simple matter to overcome, and they could be handed out under certain conditions. But if they were handed out under certain conditions it would be necessary to follow the grants to make sure those conditions had been fulfilled. Under those circumstances it seems to me quite beyond all reason to imagine that provincial autonomy over primary education would be maintained.

Mrs. Fairclough: May I ask the minister a question? As I listened to the hon. member for Digby-Annapolis-Kings this afternoon it seemed to me the minister was misrepresenting what the hon. member said. Does the minister maintain that these funds, in the hands of the provinces, might be subject to misappropriation?

Mr. Garson: No, Mr. Speaker, my words did not say that and they were not susceptible of any such inference.

Mrs. Fairclough: Oh, yes, they were.

Mr. Garson: If the hon. lady draws that inference I can only leave her to her own conclusions.

Mrs. Fairclough: That is the inference I draw.

Mr. Garson: It is for this reason, Mr. Speaker, that on a previous occasion the former leader of the opposition, Mr. Drew, stated in the course of a debate on this same subject that he was completely in favour of provincial autonomy in these matters. I agree with him, and I suggest that the Rowell-Sirois report, from which I now propose to quote, supports both of us in that view. One should remember that this Rowell-Sirois commission was sitting shortly after the greatest depression through which we have ever passed, when conditions of primary education in the Dominion of Canada were infinitely worse than they ever had been before or since. It was in relation to conditions at that time, not in relation to the relatively good condition of education today, that these remarks were made, which I now quote:

> Many representations have been made to us that financial help should be extended by the dominion to the provinces for various purposes, such as scholarships, technical training, grants to be used for general educational purposes provided that the provinces did not reduce their own expenditure on education. These representations appear to have been inspired largely by consternation at the reductions in educational expenditure which certain provinces, under the stress of the depression, have felt compelled to make. It has even been contended that the dominion is bound to see that there is equal educational opportunity, as far as is practicable, for every Canadian child. We have the deepest sympathy for these views which have been advanced by many of the organizations most closely associated with education in Canada, and we share to the full the regret that, especially in recent years, education has been terribly neglected in many of the poorer parts of the country and that wholly disproportionate sacrifices have been imposed on those who have devoted their lives to this important public service. But the representations appear to us to go too far in denying the right of each province to decide the relative importance of expenditure on education and expenditure on other competing services. It is our hope that provision can be made for the fiscal needs of all provinces, including within those needs provision for the education of the young. Our financial proposals aim at placing every province in a position to discharge its responsibilities for education, on a scale that is within the means of the people of Canada, if it chooses to do so. Once this position is established it seems to us best that education, like every other form of welfare service in a democratic community, should have to fight for its life, and that a generous provision for the education of the children of the nation should depend, not on any

arbitrary constitutional provision, but on the persistent conviction of the mass of the people that they must be ready to deny themselves some of the good things of life in order to deal fairly by their children. Hence we do not think that it would be wise or appropriate for the dominion to make grants to the provinces ear-marked for the support of general education.

As we all know, following upon the delivery of this report, in view of the fact that there were public men in Canada who had to be educated with regard to these matters and who at first opposed the implementation of the provisions of the report—most of them not in the Liberal party—the implementation of the report was delayed until that educational process was completed. There are still some signs in this house that it is not complete yet.

It was not possible, until the first wartime tax suspension agreement, to develop anything along the lines of the Rowell-Sirois recommendations. Under that wartime tax suspension agreement, which had been condemned in another form as an absolutely impossible arrangement for the provinces, there was not one of the provincial treasuries that did not have a most favourable experience as regards increasing its ability to spend money for education and other provincial services, and as regards treasury surpluses they were able to show during that period. When the war was over this was followed by the first post-war tax rental agreement.

Mr. Hodgson: When was the Rowell-Sirois report brought out?

Mr. Garson: The Rowell-Sirois report itself was brought out in May, 1940.

Mr. Hodgson: That may be, but it was finished in May, 1938.

Mr. Garson: I think perhaps my hon. friend may have in mind that some of the hearings, perhaps in Ontario, were finished in May, 1938; but the whole thing certainly could not have been finished in 1938.

Mr. Hodgson: Does the minister not think a report brought out in 1938 or 1940 is outmoded? This country is moving much faster than that.

Mr. Pickersgill: Certainly not.

Mr. Garson: It is because of that fallacy in the minds of a number of members in this house that year after year we have the presentation of this resolution and some of the speeches in support of it. I will not say they are made in ignorance of the contents of this report, but at least they are made in disregard of it.

Now, the present suggestion is, to adopt the language of the motion, that money shall be made available to the provinces for educational purposes, "without encroaching in any way on the exclusive jurisdiction of the provinces in this field".

Well, I want to try to show hon. members, Mr. Speaker, that this is precisely what these agreements have done; and I should first like to give as an example the experience of my own province of Manitoba. The Manitoba revenues which were surrendered under these agreements in 1946 were worth a little over $8 million a year. In place of these we got under the agreement a guaranteed minimum of $13,500,000 and received in the year ended March 31, 1948, about $14,500,000. To make a long story short, Mr. Speaker, we shall receive in the present fiscal year, I believe—I have not checked the exact figure—something close to $35 million, which is more than our entire budget in 1949. Now, will any member of any party in this house have the hardihood to rise in his place and say that with this increase in revenue it is not possible for the provinces to support primary education?

Mr. Hodgson: What is your surplus this year?

Mr. Knowles: What is the increase in the cost of education?

Mr. McCullough (Moose Mountain): What was the federal budget in 1939?

Mr. Garson: Let us leave that one province out. It is true Manitoba had a very favourable settlement in that contract, but let us take the agreement as a whole.

Mr. Knowles: Will the minister permit a question before he leaves Manitoba?

Mr. Garson: Yes, surely.

Mr. Knowles: Will the minister say whether he thinks the contributions made by the federal government to Manitoba for education, such as contributions for vocational training, contributions for the building of Carpathia school in Winnipeg and the school at Fort Churchill, all of which are outside of these grants, violate the Rowell-Sirois principle or interfere with provincial control over education?

Mr. Garson: No, I do not for one moment, because they are all earmarked grants, all made upon certain conditions which must be complied with; but they relate only to certain technical training.

Mr. Knowles: Oh, no.

Mr. Garson: Well, I put it this way so as not to waste time. They do not relate to primary education.

Mr. Knowles: Carpathia school is an elementary school in the city of Winnipeg.

Mr. Garson: I know.

Mr. Knowles: The school at Fort Churchill is an elementary and high school.

Mr. Pickersgill: And it has nothing to do with primary education in general.

Mr. Knowles: It certainly does.

Mr. Garson: My hon. friend cannot use up my time and trap me by these—

Mr. Knight: May I ask one question?

Mr. Garson: One at a time. My hon. friend from Winnipeg North Centre cannot trap me by these atypical cases which he cites. He knows as perfectly well as I do that there is not now, in Canada, federal contributions to primary education, in the terms in which they are recommended in the resolution which is before us.

Now, let us take the grants from the federal treasury under these federal-provincial agreements. To go to the first post-war tax agreement, that is the first tax rental agreement in 1947-48, the sum of $80 million in that year was paid to seven provinces. In the last year of that same agreement 1951-52 another province having come in in the meantime, the $80 million had gone up to $122 million. Then a new agreement was negotiated, and in 1952-53 the first year of the new agreement with nine provinces that $80 million had gone up to $286 million, and in 1953-54 the second year of the second agreement, just one year later, it had gone up to $309 million by operation of the escalator clause, in order to take care of increased expenditures, including education. In 1956-57 the last year of that agreement, still with nine provinces, it had gone up by escalation and the like to $357 million.

Mr. Van Horne: Will the minister permit a question?

Mr. Garson: No; my time is running out. I will be glad to answer the hon. member's questions at the end, if I have time.

During the past year we have been negotiating a third agreement, and we hope to have all the provinces of Canada included. The amount payable, as nearly as we can estimate it at this moment, under the third agreement is $640 million, plus certain other adjustments of taxation and so forth of $35 million, or a total of $675 million.

In other words the contribution of the federal government under this head in the period from 1947-48, when it was $80 million, has gone up in ten years to $675 million in 1957-58, or by almost eight and a half times.

[Mr. Garson.]

Will any reasonable man tell me that in that large increase there is not elbow room within which the province of Alberta can find some way of taking care of its primary education, or even the province of Newfoundland? It is an increase of eight and a half times in federal payments.

The great virtue, Mr. Speaker, of this arrangement is that it complies with the resolution of my hon. friend from Saskatoon. This is the only way in which this money can be paid "without encroaching in any way upon the exclusive jurisdiction of the provinces". As the provinces get this money, they can spend it on roads, they can spend it on bridges, they can spend it on graft, they can do what they like with it, or they can spend it on education.

Mr. Knight: Is the minister aware that one of his colleagues took the exactly opposite position in opposing this resolution? The Minister of National Health and Welfare said the reason it was unconstitutional was that it was earmarked for education.

Mr. Garson: I heard my colleague and I heard my hon. friend from Saskatoon. I think the explanation of my hon. friend's remark is that he himself did not understand the minister.

Mr. Knight: Thank you very much; no one else does.

Mr. Garson: The fact of the matter is that the Rowell-Sirois commission was in my opinion much the most distinguished commission we had ever had. It would be a very happy situation if all our commissions produced as satisfactory a report as it did.

Mr. Knowles: You had better explain yourself.

Mr. Garson: And I would say that, because we have for our measures support from the fact that we took the Rowell-Sirois recommendations and implemented them. By and large, having regard to the fact that we have been passing through an era which has tested the financial arrangements of governments at every level, municipal, provincial and federal, the Rowell-Sirois policies have worked out remarkably well. They certainly have provided, if the provinces choose to spend it for that purpose, plenty of money with which to pay for education.

The hon. member for Saskatoon may perhaps recall that on an earlier occasion, I think it was in 1952, I pointed out that under these tax agreements then in effect over a period of five years not one of the treasuries of all the provinces of Canada had shown a deficit; they all showed surpluses, and those surpluses for the 5-year period totalled

nearly two-thirds of a billion dollars of provincial debt reduction. My hon. friend the hon. member for Saskatoon says, "If we do not pay some money they are going to have to close up primary education." Well, the only thing wrong with all these arguments is that the facts do not bear them out. It is only by ignoring the facts—I will not say suppressing them—but by paying no attention to them, that my hon. friend can make the kind of argument he does.

I sympathize entirely with him on the importance of primary education and the importance of increasing school teachers' salaries. But I say when he is proposing to do this by transgressing the provision which was put into the constitution of Canada most deliberately by the fathers of confederation, and which has proven over the years since to have been a very wise provision; and since the facts as I have related them show that the provinces, if they wish to do so, can make adequate provision for education, there is no case upon which he can ask for the support of his present resolution in this house.

Mr. Colin Cameron (Nanaimo): Mr. Speaker, I was delighted to hear that the Minister of Justice (Mr. Garson) had great sympathy for the hon. member for Saskatoon and for the position he took. I think it is unfortunate that the minister does not have a little knowledge as well about the real situation in the educational system, because I am quite sure there is not a teacher in the country who would not get up and refute everything he said. When he tells us and asks us to believe that the provinces are able to cope with this problem under the present financial arrangements, he flies right in the face of the express views of all educational authorities in Canada. The minister may be an expert in law, but I suspect he has not been paying very much attention to the mundane business of the local administration of schools or he would not attempt to put over as logical arguments the fantastic statements he has made this evening.

I was interested to find that apparently he bases his opposition to this resolution on two grounds. The first is the findings of the Rowell-Sirois commission. I remember the findings of that commission very well. I was a member of the British Columbia legislature at the time and it was notorious, as the Minister of Justice well knows, why that particular section of the Rowell-Sirois commission's report was included and why it contained the weak, feeble and unconvincing arguments he has quoted here tonight. At that time there was no doubt in the mind of anyone that it was a political consideration which forced that particular section of the Rowell-Sirois report.

The other ground upon which the minister apparently bases his position is a constitutional one, and I was quite interested when he suggested that of course there had been no contravention of provincial autonomy over education in regard to grants for universities, because they were all minor in quantity. I was reminded, Mr. Speaker, of the story you may remember about the young lady who was the subject of some censure over the results of her behaviour. Her defence was, "Well, it was such a very small baby". Surely, Mr. Speaker, the Minister of Justice is the last person who should suggest to us that a minor fracture of the constitution is permissible but a large one is unthinkable.

Mr. Knowles: He got away with a fairly large one.

Mr. Pickersgill: Would the hon. gentleman permit a question?

Mr. Cameron (Nanaimo): Yes.

Mr. Pickersgill: This resolution calls for payments to the provinces, if I read it correctly.

Mr. Cameron (Nanaimo): Yes.

Mr. Pickersgill: Surely these university grants are not paid to the provinces. There is no parallel at all.

Mr. Cameron (Nanaimo): No, they are not paid to the provinces; and that brings me to another statement of the Minister of Justice when he suggested, if you please, Mr. Speaker, that provincial universities—and this is true of all the western universities—which have been established by provincial legislatures are more autonomous bodies than are provincial governments. What an astonishing point of view. We can make grants to universities because they are autonomous—

Mr. Garson: Mr. Speaker, I rise on a question of privilege. My hon. friend has attributed to me a suggestion which I did not make. He is confusing it with an inference which he improperly drew.

Mr. Knowles: We all heard it.

Mr. Cameron (Nanaimo): Those were the words the minister used.

Mr. Garson: *Hansard* will show the words I used.

Mr. Cameron (Nanaimo): Yes; if you do not change them, *Hansard* will show that you referred to universities as autonomous bodies, and therefore that the grants to them could not be put on the same basis as grants to provincial governments.

An hon. Member: Word for word.

Mr. Cameron (Nanaimo): I suggest to you, sir, that not only is the minister advancing quite a ridiculous argument, but he is also overlooking a very important factor. That is that provincial universities, while every effort has been made to remove them from the control of provincial governments, are nevertheless subject to considerable pressure when a provincial government wishes to exercise it, because the provincial government has control of all the grants. These arguments do not seem to add up to any sort of reality.

I want to deal particularly with the main thesis of the minister's refutation of the resolution tonight, and that is that the educational wants of Canadian children are or can be adequately cared for by the present fiscal arrangements. I want to suggest to him that his thinking is far out of date, because there is not a province in Canada at the present time that has established an adequate primary and secondary educational system.

I suppose sometimes we tend to forget what a very large bite we undertook to chew when in Canada we decided to educate all children, and we may also tend to forget that it is a relatively new development. It was a new idea when about 100 years ago, I suppose, perhaps a little more in some parts, it was decided to provide elementary education for all children. At that time it was possibly a fairly easily achieved ambition, because no doubt the first thought was that it would be very elementary education that the vast majority would require or would wish or would have to have provided for them. In fact until comparatively recent times this was the case.

I recall that when I went to high school in British Columbia a much smaller proportion of the children who attended elementary school with me went on to high school than today go from high school to university. At that time the high school student was the rarity, and the cost of education per capita was in consequence very much less than it is today. But I think we have to go even further than that. I think we must consider for a moment just what are the purposes of our education. Sometimes I am rather dismayed at the implications of some statements which are made with regard to education; the idea that the purpose of education is to produce so many people skilled in this particular line and so many in another specialized field and so many in some profession or trade. I think we lose sight of the fact that education is something else again. Education should primarily be the process of developing human beings, and in order to do that there is one thing we have to do which our educational system has never been able to do even from the start; that is to maintain and encourage the natural curiosity and inquisitiveness of the human being.

Every human being starts off life as a bundle of curiosity, and it is the way in which human beings develop and the way in which societies develop; but when you gather 40 or 50 pupils into a class and ask a teacher to take charge of them, all that teacher can do is to maintain sufficient order to wrest from those students an unwilling acceptance of certain information and facts. I have no doubt whatever that much of our trouble today with regard to juvenile delinquency has been primarily caused by the fact that our educational system stifles that necessary inquisitive, curious feature of human nature. In order to maintain it, the very first thing we need is about twice as many teachers as we have at the present time, and that is an extremely conservative estimate.

I would go further and quote something I said to a teachers' gathering in my constituency not long ago, when I told them—and you may think it was a very rash thing for a politician to say—that I hoped the time would come when half those in attendance at the gathering would be found unqualified for their jobs; but of course I was quite safe, because each one was quite convinced that I was referring to his neighbour and not to him. I then went on and suggested something further. I said I also hoped that I would see the status and the rewards of the teaching profession raised to the degree where there would be two applicants for every vacancy in the profession.

Unless we can approach something like that, then we are not going to really fulfil the fundamental purposes which were referred to tonight by the Minister of Justice, the purposes of the fathers of confederation, and so on. Today the world is a much more complex place than it was in their day. If ever there was a time when children required individual attention, when they required the encouragement of their speculative intellects, today is the time; because they have to combat an enormous barrage of influences and of propaganda which are definitely antisocial and anti-intellectual in nature.

We may think we can solve these problems by banning certain deleterious aspects of our society, like crime comics, but the only real protection for young people from some of the evil influences of modern society is the development in them of inquiring minds which will seek always to extend the boundaries of

their knowledge. I suggest that in order to do this a very large proportion of the national income of this country must be devoted to providing the sort of scholastic environment which will produce those inquiring minds which will be made safe from the influences of some aspects of this modern world. To do that is beyond the capacity of even the richest province.

When the tax rental agreements were brought up in the legislature in Victoria I was very dubious about them. Curiously enough a Liberal member of the legislature and I were the only ones who were dubious. I was dubious because I doubted whether the great and good federal government would always see eye to eye with those of us who considered that there were vast improvements to be made in the society in which we lived. Tonight we have had proof that I was right. The spokesman for this government still does not admit that we have a crisis in education. Putting it in simple emotional terms, you may say that you cannot buy these things; but the bitter truth is that you have to buy them, and with hard dollars. We will have to offer inducements to the best brains in our society to undertake this most important job in our whole society, because the whole rest of our lives depends upon what those to whom we entrust our children are able to do with their trust.

The whole of our elaborate and complex society rests finally on the shoulders of the primary teacher. She is the first one who sets the child's mind in a certain direction. I would suggest that all the obstacles that have been raised tonight of insurmountable constitutional blocks will eventually be blown apart when finally it dawns on this government that it has to take action in this field, just as it took action in the field of family allowances, in the field of grants to universities, both of which I suggest are perhaps suspect to the constitutional purist. I have never been able to understand why grants in aid of technical education were not subject to the ban, but apparently they are not.

We know quite well that eventually, when they are met with the demands of public opinion, these blocks will be removed; but the tragic thing is that in the meantime a whole generation of Canadian citizens is suffering and much of the future of this country is being endangered, because if we go on this way we shall invite the worst possible fate that could overtake us. That is, that the next generation will be no wiser than we are.

(*Translation*):

Mr. Guy Rouleau (Dollard): Mr. Speaker, in the first place I should like to congratulate the hon. member for Saskatoon (Mr. Knight) on moving this resolution designed to give financial assistance to our educational institutions and teaching establishments. In so doing, he affords us all, as members of this house, an opportunity to show our interest in matters of education in this country. It is a valuable contribution to the future of Canadian youth and to Canada as a whole.

This debate also gave us the opportunity of hearing an excellent speech on the question of education by the Minister of Justice (Mr. Garson) and of being informed of the position of the government of our country on this matter.

I also wish to thank the hon. member for Saskatoon for the kind words he had on my behalf because of the speech I made last week in a debate on a similar subject. In his remarks this afternoon, he expressed the wish that I give my opinion on the question he submitted to our consideration. Mr. Speaker, as a man in public life, I have never been afraid to express my opinion, neither here nor elsewhere, and it is with pleasure that I take this opportunity to express my views on the matter he submitted to us.

In the speech he just made, the hon. member for Nanaimo (Mr. Cameron) told us that the Minister of Justice seemed unaware of the fact that there is a financial crisis in the field of education. I listened most carefully to the remarks of the Minister of Justice and I for one am convinced that he is conscious of the needs felt by all provinces in matters of education. I know that the Minister of Justice is mindful of provincial autonomy and that he leaves to each province the care of discharging its obligations.

Of course, Mr. Speaker, I agree with the hon. member for Saskatoon when he says that our schools are faced with certain financial difficulties in each and every educational field, primary, secondary and university. Because of the increase in our population we have to build more schools and universities. We also recognize the necessity of providing higher pay for college and university professors as well as for high school and elementary school teachers. These people are putting heart and soul in the teaching of our children and I do think that everybody here will agree that they should be better paid.

Education

Still the problem which we have to face in the educational field also exists in other fields. I need only mention here the difficulties faced by municipalities in their administrative work, precisely because of their current rapid expansion. However, the financial difficulties which we are facing in the educational field are such as to deserve study by all those who are in charge of the various government activities in this country.

To my mind, Mr. Speaker, this is a critical problem since it has a bearing on the future of our children, of the younger generation of this country and of the nation as a whole.

In seeking to settle this financial problem, we must take into account the British North America Act in so far as it concerns the rights which have been reserved to the various provinces on confederation.

Last week during a debate initiated by the hon. member for York Centre, I had the opportunity of expressing my views on the attitude that we should adopt here in this house, with regard to education, in order to ensure that provincial autonomy in this connection be respected. In my conclusion I supported the granting of university scholarships which would in no way threaten the autonomy of the provinces, on the contrary.

To return to the discussion now under way, let us read over the resolution submitted by the hon. member for Saskatoon:

> That, in the opinion of this house, the government should take into consideration the advisability of taking steps to relieve the financial crisis in education, without encroaching in any way on the exclusive jurisdiction of the provinces in this field, by granting financial assistance to the various provinces for the expansion and equalization of educational opportunity across Canada.

When I first read the resolution, I felt inclined to support it. However, after listening to the speech delivered this afternoon by the hon. member for Saskatoon, I think I should make considerable reservations, and perhaps even more than reservations. Mr. Speaker, I do not want to speak of the hon. member personally, but I fear this resolution coming from the C.C.F. benches creates a great danger. Indeed, during the four years I have spent in this house, I have noticed that certain members of his party seemed to forget, on several occasions, that we had in Canada a constitution giving rights to the provinces in certain fields, and more particularly in the field of education. When I read carefully the resolution moved by the hon. member, I see that it included the following sentence:

> . . . without encroaching in any way on the exclusive jurisdiction of the provinces . . .

However, while making his speech this afternoon, the hon. member had this to say: "The public of Canada would support, I am quite sure, this plea which I am making for the granting of federal money for education, so long as there was no interference with provincial responsibilities implied".

Earlier, Mr. Speaker, the hon. member had said: "I wonder if it would disturb the constitution too much if the federal government were to assume some of the capital cost of schools". He concludes by saying that he does not believe it would.

Mr. Speaker, I suggest that the educational system, both on the primary and secondary level, is exclusively within the jurisdiction of the various provincial legislatures. When the hon. member says that we should assume some of the capital cost of schools, we already see there an encroachment upon the autonomy of the provinces, and that is exactly what we do not want.

In that same speech, the hon. member said:

> What is taught, how it is taught, and where it is taught or anything else of that kind lies within the jurisdiction of the province. All we want to do is to support the hands of those people within the provinces who are trying to educate these children. That is all we want to do and it is entirely a financial problem.

Well no, Mr. Speaker, it is not solely a financial matter; it is a problem affecting the organization of education in this country and more particularly in the provinces, a prerogative which has been guaranteed to us by the British North America Act which provides that education is exclusively a provincial matter.

In the province of Quebec, as in any other Canadian province, I am sure that the legislative body wishes to discharge its responsibilities in accordance with the rights and powers guaranteed by the constitution. That is what is provided by section 93. As I said last week, when we have to deal with education we must be very careful to respect that guarantee given to the provinces by the fathers of confederation.

It is for that reason, Mr. Speaker, that I cannot accept in its entirety the resolution moved by the hon. member for Saskatoon; I wonder if the hon. member realizes the difference between what we could call here education proper, which comes under provincial jurisdiction, and Canadian culture, a field where the government of our country

may have, in some cases, certain responsibilities. I agree with the hon. member when he says that our educational system is in great need of funds. Since the planning of education has been entrusted to the provinces the solution of this financial problem in the field of secondary and primary education is their sole responsibility. Therefore, as a representative of a federal constituency, I will not even discuss these problems in so far as they relate to primary and secondary education.

In the field of university education, the problem is just as serious. However, who provides the universities with the funds they require to educate our children? These funds come from credits voted by the different provincial legislatures, in certain cases from federal grants, and from certain amounts put at the disposal of our universities by private enterprise or by private individuals anxious to help our young Canadians.

Needs are growing, Mr. Speaker, precisely because more and more young people, throughout this country, are entering university. I am happy to note that fact. It proves that Canadian culture is constantly being raised to higher levels, and this is as it should be. I had occasion last week to express my views on the matter of primary and secondary education. As I said a while ago, it is different in the case of universities. In fact, there is in that field a cultural aspect regarding which the federal government could make a contribution without however laying down any condition. That is in complete agreement with the findings of the Massey report which recommended assistance to universities, which is urgently required.

For a long time the Prime Minister of our country has been concerned with the problems of universities. Recently, when he received an honorary degree from the University of Sherbrooke, he announced that he would recommend to parliament that grants to universities be increased from 50 cents to $1 for each university student in the country, thus bringing to $16 million annually the amount of statutory federal grants to universities.

In the speech he made on November 12 last at the national conference of Canadian universities, the right hon. Prime Minister said, and I am quoting from *La Presse* of Tuesday November 13, 1956:

> I have already explained why the federal government had the right to offer such assistance. I feel that it is not only its right but its duty to do so.

In the same speech the Prime Minister added:

> My colleagues and I feel that the annual federal grants to universities should be continued and increased and we are prepared to recommend to parliament, at the next regular session, that they be doubled.

That is what the parliament of Canada has done at the very beginning of this session. And if I refer to *Hansard* of last Friday, January the 15th, I see that the Prime Minister in the explanations he gave us on the subject of the assistance that the Canadian government wants to give to various universities in this country, takes into account the autonomy of the provinces. During the same debate I noticed that the leader of the official opposition (Mr. Diefenbaker), agreed with the Prime Minister. I suggest that all the members of the house recognize that we should help Canadian universities. However, I want to be sure that such assistance will be granted with due respect for the autonomy of the universities and provinces. In order to insure that this autonomy will not be affected, it is provided in the measure introduced by the government that the universities of the various provinces of the country will not be forced to accept the grants, but that they can refuse them if they believe that this would encroach upon the autonomy of the provinces.

The resolution of the government provides that the grants will be distributed by an independent organization.

The hon. member for Nanaimo (Mr. Cameron) said a moment ago that there was no difference between the measure introduced by the Prime Minister and the proposal of the hon. member for Saskatoon. The Minister of Citizenship and Immigration (Mr. Pickersgill) pointed out that there is all the difference in the world between these two proposals since under the resolution of the Prime Minister, the grants will be offered to the universities and not directly to the provinces.

Before concluding my remarks, Mr. Speaker, I wish to make a special appeal to private enterprise in this country to provide an ever increasing help to our universities and our university students.

I also wish to congratulate the hon. members of this house for the interest they have shown in the problems of education and teaching in our country. In so doing, they prove that they are conscious of their responsibilities; I urge them to continue to work for the future of our country with due respect to the spirit and the letter of our Canadian constitution.

The hon. member for Saskatoon said this afternoon that he was glad to find that an ever increasing number of hon. members show their interest in education. However, I would not want the growing interest to

which he referred to be taken as an excuse to encroach upon certain sections of the Canadian constitution.

However, I cannot give my full support to the resolution before the house, precisely on account of the explanations given by the hon. member. In my opinion, if the resolution were carried in its present form, it would be an encroachment upon the constitution and that cannot be allowed. Such an action would be an interference in a field exclusively reserved to provincial jurisdiction. I am still convinced that no hon. member would wish to encroach upon what we call provincial autonomy.

Mr. Andre Gauthier (Lake St. John): Mr. Speaker, I have very little time left before ten o'clock but I do think I have time enough to make a few remarks. The hon. member for Saskatoon (Mr. Knight), I am convinced, has introduced his motion in a sincere effort to find a solution to the problem of education in general.

I do not have to demonstrate the need for supporting education. That is a generally recognized fact. All of us here to the best of our ability, are searching for a formula according to which our young fellow citizens may be allowed to benefit more from education.

Education is a personal responsibility of parents. That is a privilege which is rightfully theirs. Still, man is not able to develop, to realize his whole potentialities except as a member of society. That being the case, those in authority must exercise their complementary duties. In my province this is first of all the business of the local school board to which I am particularly happy to pay tribute.

Our federal system nevertheless recognizes the exclusive responsibilities of the provincial authorities to legislate in educational matters. I will remind hon. members that the fathers of confederation did not deem it wise to include these in the general powers granted to the provinces under section 92. They chose instead to draw up a separate section to deal with this matter, a fact which indicates the importance they attached to the subject. It was their wish that education be a provincial matter. Even with the best intentions in the world, I do not think that we should do anything which would, in any way, diminish the responsibilities of the province.

The mover of the motion has taken the precaution to include the following reservation:

> Without encroaching in any way on the exclusive jurisdiction of the provinces in this field.

That is undeniable recognition of the fact that the federal government has no jurisdiction in that field, and that should be sufficient to dispose of the resolution. Problems coming within the field of our jurisdiction are numerous and varied; some are very difficult to solve. We should spend our time and energy working for the common good of our constituents in the fields in which we have jurisdiction and which were assigned to us by the provisions of the British North America Act.

Federal legislators are duty bound to be very circumspect and careful in matters of education. The province of Quebec has most imperative and special reasons to be jealous of the field of education. It is the only means available to French-speaking Canadians of keeping the language and traditions inherited from their forefathers. If there is a crisis in the field of education, a fact recognized practically everywhere, let us leave to the provincial authorities the trouble of studying the problem and let us help them to solve it if they so request us. The proposals designed to put an end to the present financial crisis in the field of education referred to in the resolution must come from the provinces. They will I am sure set the required conditions and guarantees.

For all the reasons I just gave—it is already ten o'clock, Mr. Speaker—I must say that I will oppose this resolution of the hon. member for Saskatoon and I move the adjournment of the debate.

(*Text*):

On motion of Mr. Gauthier (Lake St. John) the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Lapointe: Tomorrow we shall go into supply and continue, and I hope complete, the study of the supplementary estimates. Then we shall take up the legislation as announced by my colleague the Minister of Finance on Friday, in the order in which he announced it.

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

ANSWERS TO QUESTIONS

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

INFLATION CURBS AND LOAN CONTROLS

Question No. 36—**Mr. Thatcher:**

What action has the government or the Bank of Canada taken, in an effort to curb inflation, to control loans made by finance companies, small loan companies, insurance companies, credit unions, etc.?

Answer by: **Hon. W. E. Harris (Minister of Finance):**

The government and the Bank of Canada have made it clear in discussions with finance companies and the larger retailers that a continued expansion of credit is not desirable, but no specific controls have been imposed on loans made by finance companies, small loan companies, insurance companies, credit unions, etc.

WHEAT—DELIVERY QUOTAS, WESTERN PROVINCES

Question No. 47—**Mr. Hansell:**

1. How many points in the three western provinces respectively closed the last crop year with a wheat delivery of (a) over five bushels quota; (b) five bushels quota; (c) under five bushels quota?
2. How many points in western Canada received an eight bushel quota?

Answer by: **Mr. Dickey, Parliamentary Assistant, for the Minister of Trade and Commerce:**

	Province	Number of delivery points
1. (a) Over five bushels	Manitoba	375
	Saskatchewan	1,001
	Alberta	492
	Total	1,868
(b) On five bushels	Manitoba	—
	Saskatchewan	103
	Alberta	85
	Total	188
(c) Under five bushels	Manitoba	None
	Saskatchewan	"
	Alberta	"
2. On eight bushel quota	Manitoba	316
	Saskatchewan	307
	Alberta	195
	Total	818

STEEL PRODUCTION, 1955-56

Question No. 58—**Mr. Gillis:**

What was the total tonnage of basic steel produced in Canada for the years 1955 and 1956, by (a) Algoma Steel Corporation; (b) Stelco; (c) Dominion Steel and Coal Corporation?

Answer by: **Mr. Dickey, Parliamentary Assistant, for the Minister of Trade and Commerce:**

Production of steel ingots and steel castings

	Year 1955	Eleven months ended November 1956 net tons of 2,000 lbs.
Steel ingots		
Open hearth-basic	3,917,051	4,234,329
Electric	524,692	510,993
Total steel ingots	4,441,743	4,745,322
Steel castings		
Open hearth-basic	26,003	29,427
Converter	164	284
Electric	61,491	80,634
Total steel castings	87,658	110,345

(a), (b) and (c) Under section 15 of the Statistics Act returns for individual companies may not be released.

HOUSE OF COMMONS

Tuesday, January 29, 1957

The house met at 2.30 p.m.

SUBVERSIVE ACTIVITIES

SOBLE SPY RING—INQUIRY AS TO RAMIFICATIONS IN CANADA

On the orders of the day:

Mr. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Justice. Can the minister give any report to the house in connection with the investigation into the connections or ramifications disclosed by the Soble spy ring in the United States? What is the present position in Canada as to any connection between the operations of the Sobles in Canada with those carried on in the United States?

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, I understood that in my absence some interest was taken in this matter and in anticipation of a question such as that asked by the Leader of the Opposition I have prepared the following statements:

Hon. members will have read in the newspapers that the United States federal bureau of investigation has recently made several arrests charging residents of the United States with espionage. Under arrest are Jack and Myra Soble and Jacob Albam. As the members are aware, the policy of the Department of Justice is carefully to refrain from disclosing information relating to security matters, and the department is especially careful in this regard when the security matter concerned involves the security services of friendly nations with which we co-operate in security work. The federal bureau of investigation of the United States is one of such security services and naturally we have been co-operating with it in this case in question by investigating Canadian aspects of the case.

For obvious reasons it is quite impossible for me to disclose any facts revealed by our investigation, since these may relate to the security both of Canada and the United States; and, in addition, the members no doubt have noted that this case is sub judice in the United States courts at the present time.

Mr. Diefenbaker: Mr. Speaker, could the minister go so far as to say whether or not any investigation that has taken place—as revealed in the United States press—in which the Royal Canadian Mounted Police were co-operating with the federal bureau of investigation indicates that any of the activities of the Sobles in connection with their business operations in this country were found to emanate from or to be connected with the U.S.S.R. or its embassy here?

Mr. Garson: Well, Mr. Speaker, in line with the position that we have always taken, I am sure my hon. friend upon reflection will consider that the question he has just asked seeks to elicit information of precisely the kind that we avoid giving. In other words, the information which he seeks if given might conceivably be of more value to those who are not friendly with us than any possible value it could have in satisfying my hon. friend's curiosity.

Mr. Diefenbaker: Mr. Speaker, I would be the last to want to prejudice in any way the investigation but the information is available in the United States press and I am wondering why parliament should be denied information as to whether or not the U.S.S.R. embassy is involved in this matter.

Mr. Garson: Mr. Speaker, Canada in common with other free countries of the world pursues the same policy, I believe, with regard to the maintaining of secrecy in relation to security matters.

Now, as my hon. friend correctly points out, when prosecutions take place in a free country the trial has to be in public, and in due course, in order to meet the necessities of these prosecutions, information has to be made public which up until that time has been kept secret. I am sure my hon. friend will agree that until the time comes when it is necessary to disclose it for the purpose of a public prosecution it is very much in the interests of ourselves and our allies that security should be maintained in relation to it.

DISABLED PERSONS

REFERENCE TO DEFINITION OF TOTAL AND PERMANENT DISABILITY

On the orders of the day:

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, may I address a question to the Minister of National Health and Welfare? Can the minister tell the house when we may expect some change for the better in the

definition of total and permanent disability contained in the regulations under the disabled persons pension act?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, my hon. friend last Friday gave me notice of his intention to ask this question. He will recall that late last fall there was a meeting between the provincial departments concerned and the federal government regarding regulations which have to do with the disability pensions legislation to which the hon. gentleman has drawn my attention. I can tell my hon. friend that following that meeting a revised definition was drafted and sent to all the provinces for their consideration. As soon as the provinces advise us that this and other proposed changes in the regulations are acceptable to them we will lose no time in our turn as a government in dealing with the proposed revision of the regulations.

EXTERNAL AFFAIRS

UNITED STATES—REFERENCE TO STATEMENT BY MR. DULLES

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, may I direct a question to the Prime Minister. He will have read in the press over the week end the reports of the statement made by Mr. Dulles before a Senate committee in Washington to this effect:

> If I were an American boy, as you call it, going to fight in the Middle East, I would rather not have a French and British soldier, one at my left hand and one at my right. I think I would feel a lot safer.

Is there not some protest the Canadian government could make to Washington which would have the effect of stopping these provocative statements?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, the hon. gentleman knows as all hon. members of the house know that this statement attributed to Mr. Dulles taken out of its context has been interpreted as reflecting upon the valour of French and British soldiers, and he knows that there have been given complete explanations to the effect that nothing of the kind was intended and all that was intended was to imply that, because of the feelings in the Middle East toward the British and the French arising out of the crisis connected with the Suez incident, their presence with United States troops might be more provocative than the presence of United States troops alone. I think that an expression like that taken out of its context is subject to misinterpretation. I think it is fortunate that there have been serious attempts made to clear up the misinterpretations placed upon those words.

[Mr. Gillis.]

Mr. Green: Does the Prime Minister not realize that this statement has already caused grave concern in Great Britain and in France? Surely Canada, trying to get these nations together again, could help by making some protest to Washington against any such further statements being made.

Mr. St. Laurent (Quebec East): I do not agree that a diplomatic protest by Canada to Washington would have the effect desired by my hon. friend.

KASHMIR—INQUIRY AS TO CANADA'S POSITION

On the orders of the day:

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I should like to ask the Prime Minister whether the Canadian government has expressed any view or indicated any policy with respect to the Kashmir situation and the action of the government of India. Have there been any discussions with other commonwealth countries as a result of this situation?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I understand that there have been discussions as late as yesterday between the under-secretary of state for external affairs and the high commissioner of the United Kingdom, and I know there have been other discussions. I am sure the hon. gentleman appreciates, as we do, the importance of this matter and shares the hope that there will be a solution found that will not cause any serious disturbance in the relations between the various members of the commonwealth. Of course the hon. gentleman would, I am sure, agree that it is a matter about which it is difficult for other members of the commonwealth to do more than express their keen desire to be as helpful as possible to the parties in reaching an amicable settlement and that they all deplore the state of affairs that has gone on since 1947 in connection with this area of what was previously known as India.

Mr. Fulton: Then are we to understand that these discussions are continuing and that the matter is still the subject of negotiation, in which case I would imagine that most hon. members might feel we should not ask for a report until the negotiations are concluded; or is it just a matter of representations having been made and the matter resting there, in which case I think we would be entitled to press to know what the representations were?

Mr. St. Laurent (Quebec East): Mr. Speaker, I should not like to use the word "negotiations" because these discussions have been matters of consultation between the members of the commonwealth other than India and

Pakistan as to what each or all of them could do to help in bringing about an amicable settlement of the issue. From that I would not want hon. members of the house to take it that there have been no discussions of it with the representatives of both India and Pakistan. I can assure the hon. gentleman that it has been the subject of very earnest conversations along the lines, of course, that it was a matter that had to be primarily settled by those two governments but that its settlement was of great interest to all the members of the commonwealth.

[*Later:*]

Mr. John Pallett (Peel): Mr. Speaker, may I direct a question to the Prime Minister supplementary to that addressed to him by the hon. member for Kamloops. Would the Prime Minister advise the house whether or not the Kashmir situation was the subject of discussions between the Prime Minister and Prime Minister Nehru when he was in this country? If so, would he tell us what was that discussion and advise us if any correspondence has been exchanged between him and Prime Minister Nehru since the recent taking over by India of Kashmir?

Mr. St. Laurent (Quebec East): Mr. Speaker, there has been no correspondence exchanged on the subject of Kashmir with the Prime Minister of India since his visit to Ottawa. As to my confidential conversations with him, I do not think it would be proper for me to attempt to disclose them here in the house.

STATELESS PERSONS—CANADIAN ATTITUDE TOWARD UNITED NATIONS CONVENTION

On the orders of the day:

Mr. Colin Cameron (Nanaimo): Mr. Speaker, I should like to direct a question to the Acting Secretary of State for External Affairs. Can the minister now give the house a definite answer to the question to which he gave a tentative answer on Friday, namely, is Canada yet a signatory to the United Nations convention on the status of stateless persons?

Hon. Paul Martin (Acting Secretary of State for External Affairs): Mr. Speaker, Canada is not a signatory. The matter is under consideration and study.

Mr. Cameron (Nanaimo): I have a supplementary question. How much longer than 2½ years does the minister think he and his colleagues will require before they come to a decision?

Mr. Martin: I think my hon. friend will find that the length of time he has indicated is not in harmony with the facts.

KING SAUD—INQUIRY AS TO INVITATION TO VISIT CANADA

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, may I direct a question to the Prime Minister. Has the government given consideration to extending an invitation to His Majesty King Saud of Saudi Arabia to pay a visit to Canada during the time His Majesty is visiting in North America?

Right Hon. L. S. St. Laurent (Prime Minister): No, Mr. Speaker, that matter has not yet received consideration.

AGRICULTURE

PRODUCER MARKETING BOARDS—NEW LEGISLATION

On the orders of the day:

Mr. J. A. Charlton (Brant-Haldimand): Mr. Speaker, I would like to direct a question to the Minister of Agriculture. Has the government any new marketing legislation to present to the house at this session following a recent ruling by the supreme court of Ontario?

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, the government has not yet given full consideration to this question and, when it has, a report will be made to the house.

HEALTH INSURANCE

ONTARIO—INQUIRY AS TO FEDERAL GOVERNMENT PROPOSALS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I would like to direct a question to the Minister of National Health and Welfare. Is the minister now in a position to make a statement to the house on the present state of negotiations between the province of Ontario and the federal government with respect to health or hospitalization insurance? In particular will he comment on the Ontario government's confidence that tuberculosis and mental cases will be included in the proposed plan?

Hon. Paul Martin (Minister of National Health and Welfare): I dealt with this matter on Friday last. There is nothing more I can add following the announcement made in the speech from the throne yesterday in the Ontario legislature that the government of the province of Ontario is tabling today in the legislature its plan which it anticipates might come within the ambit of the proposal made by the federal government for a system of hospital insurance. I cannot add anything more at this time to what I have already said.

Inquiries of the Ministry

Mr. Knowles: Mr. Speaker, I would like to ask a supplementary question. In view of the fact that the minister has tabled the correspondence between the federal government and the governments of the three western provinces regarding this matter, will he make public or will he table the correspondence with the Ontario government regarding this same matter?

Mr. Martin: I will be very glad to suggest to the premier of the province of Ontario at the earliest possible moment that this correspondence should be tabled; but I will have to wait until I hear from the premier of Ontario pursuant to the arrangements which we have made with him.

FINANCE

REPORTED STATEMENT BY MINISTER CONCERNING INFLATION

On the orders of the day:

Mr. L. E. Cardiff (Huron): Mr. Speaker, I would like to direct a question to the Minister of Finance or perhaps in his absence to the Prime Minister. It has to do with the headlines in the Montreal *Gazette* where the Minister of Finance is urging the Canadian people to help defeat inflation. Would the Prime Minister care to tell the house what difference there is, so far as inflation is concerned, between people spending their own money and the government spending it for them?

Right Hon. L. S. St. Laurent (Prime Minister): That would depend entirely upon the purpose for which money was expended.

EGGS

TORONTO—REPORTED DOWNGRADING BELOW MINIMUM PRICE

On the orders of the day:

Mr. C. W. Hodgson (Victoria, Ont.): Mr. Speaker, I would like to direct a question to the Minister of Agriculture. Does the minister know if it is legal for firms in Toronto to buy from producers grade A large eggs at 30 cents and grade down to an average price across the board of 23½ cents?

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, I do not know from any information which has come to my attention that such a transaction has taken place. I only know, looking at the prices this morning, that they are as high as 39 cents for grade A large on the market in Toronto. I cannot understand why anybody would sell them for less.

[Mr. Martin.]

REFERENCE TO REQUEST FOR INVESTIGATION INTO PRICES

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Can the minister inform the house whether he has investigated the situation with regard to egg prices, something which, according to recent press reports, the minister undertook to do at a meeting with the Canadian Federation of Agriculture? Can the minister say whether he is prepared to recommend a change in the present method of support prices for eggs which will result in the producer receiving greater benefits from the price support than is at present the case?

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, I should like to call your attention to the fact that this question is in a form which is condemned by the rules of this house.

Some hon. Members: Oh, oh.

Mr. Gardiner: My hon. friend is giving information rather than asking for it.

Mr. Fulton: That is the only way we can get any information.

Mr. Gardiner: If the information were correct there could not be any objection to it. As a matter of fact I was in Winnipeg last week attending the annual meeting of the Canadian Federation of Agriculture and the question asked me was as to whether I knew that eggs were selling that day in Toronto at from 33 cents to 34 cents a dozen. I said, "Yes, I knew". I had received information the day before that eggs were selling at that price and I said that it would be necessary for me to take the plane that night at 6.10, irrespective of what question period there might be, in order to be here on Thursday morning to deal with it. I did not say, "to make investigations"; those investigations had been made and were continually made from December up to that time and I dealt with it in the manner that was reported in this house a few days ago, namely, to indicate that we were prepared to take delivery of oil-dipped grade A large eggs at 38 cents a dozen as from that time, an hour before the session opened last Thursday. Those eggs, of course, had to be oil-dipped. The oil dipping costs a cent a dozen, so that we were prepared to cover the cost of the extra cent, making it 39 cents on the basis of the program which has been carried on for the last five or six years.

Mr. C. W. Hodgson (Victoria, Ont.): Mr. Speaker, I should like to clear up this egg situation with the Minister of Agriculture. In my riding producers shipping eggs to Toronto

find that after the eggs have been delivered and the return comes back they are in this situation. One return came back from the Dominion Stores which paid an average price across the board of 23½ cents a dozen. Is that legal?

Mr. Gardiner: Well, it depends on the situation. As far as the legality is concerned, I do not want to discuss that question because I am not an authority on it. But it is possible that certain grades of eggs might average out at 23 cents a dozen back at the point of delivery. I am not sure about that. If it is a nest run of eggs I certainly could. If they are medium size eggs I would have to examine the records very carefully in order to find out what the price would be. It has been running 7 cents, 8 cents or 9 cents below the grade A large at times but the eggs which are guaranteed are grade A large eggs, and the prices which I quoted are for grade A large eggs.

Mr. Hodgson: The grade A large eggs in this case were 30 cents a dozen.

Mr. Gardiner: That is possible.

COMBINES INVESTIGATION ACT

GASOLINE AND FUEL OIL—STATEMENT ON INVESTIGATION INTO INCREASED PRICES

On the orders of the day:

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, I would like to address a question to the Minister of Justice. Has the minister's attention been drawn to the question asked last Wednesday regarding the Combines Investigation Act, in connection with the recent increase in the price of gasoline?

Hon. Stuart S. Garson (Minister of Justice): Yes, Mr. Speaker, it has been. The question which the hon. member for Mackenzie asked on that occasion was: Has the minister's attention been drawn to the items in this morning's papers reporting that five of the major oil companies in Canada yesterday announced price increases in gasoline and fuel oil of about a cent a gallon at the wholesale level; and will the minister consider ordering an inquiry under the Combines Investigation Act with a view to determining whether or not there is a combine which resulted in these price increases being announced at the same time.

My answer to that, Mr. Speaker, is as follows:

As I have already explained on several recent occasions, it is the practice of the combines branch to observe notable price changes and to consider carefully whether they raise any reasonable suspicion of a combine. The combines branch has, accordingly, been noting price changes in the petroleum market since they began early this month.

Whether or not this attention will lead to any formal inquiries is a matter which is not known at the present time, and if it were known I would not be in a position to discuss it further unless and until a report were made to me by the restrictive trade practices commission in the usual way.

ADMINISTRATION OF JUSTICE

FAUTEUX COMMISSION REPORT—ACTION TO BE TAKEN IN IMPLEMENTATION

On the orders of the day:

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I wish to ask a question of the Minister of Justice, one which I have been pursuing now for a couple of years, on probation. The minister has encouraged me to wait for the report of the Fauteux commission. This report has now been produced, and my question is whether the government has reached any decision with regard to carrying out the recommendations of this commission for action at the dominion level.

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, since the hon. member has been good enough to give my secretary oral notice of the question he has asked today, I have been able to prepare in reply a statement which I now present.

On July 20 last, shortly after the Fauteux report was made public, I wrote to the provincial attorneys general pointing out that the Fauteux recommendations would require for their implementation action by the parliament of Canada and the provincial legislatures of Canada; and that I therefore thought that the federal and provincial ministers should consider the report in a joint conference to this end.

In their replies to this letter the provincial authorities indicated dates for such a meeting that varied from early in the month of October to as late as mid-January of this year.

Meanwhile, we had been getting ready for such a conference and, in this connection, gathering together all the available, relevant data. This proved to be a bigger task than we had anticipated, so on October 18 I wrote to the provincial ministers to suggest that the best way of arriving at an accurate set of comparable figures for both federal and provincial ministers would be to have a meeting in Ottawa of senior federal and provincial officials for the exchange of the necessary statistical information. A meeting of senior

federal and provincial officials was accordingly held in Ottawa on November 14 and 15 last, attended by representatives of all of the provinces except two.

The proceedings of this conference have been transcribed by the reporter who was in attendance. It was agreed by the meeting that the provinces would supply us with 100 copies of the statistical information which they had sent to this conference in order that we might redistribute this among the other provinces concerned.

I may say, Mr. Speaker, that we received the last of this material from the last province to report within the past 48 hours and these copies are now on their way to the provinces concerned.

The deliberations of the federal and provincial senior officials have made it clear that a large amount of work is still required to be done before either the provincial or federal governments can be in a position to discuss in any adequate manner the policy decisions that would be involved in considering the implementation of the Fauteux report.

Forthwith, after the conference at Ottawa in November last with the federal and provincial officials, the officers of the Department of Justice began work on the preparation of proposals covering the entire field of corrections which will be submitted for approval to the federal cabinet and then to a conference of federal and provincial ministers for consideration. I have already pointed out to the provincial ministers that it is difficult to predict at this time how long it will take for the proposals of the government of Canada to be placed in final form for their consideration, but that in view of the fact that we do not as yet have all of the provincial material before us—we have not had any reply from two of the provinces—and considering the multiplicity and magnitude of the problems involved, I did not see at that time how this could be done in less than five to six months.

I have informed the provincial ministers that as soon as our work is completed it is my hope that we would be able to send our proposals by mail to the provincial governments and that after they had had an opportunity to consider them, I will ask the provincial ministers concerned to meet with us in Ottawa, at a mutually acceptable time, for a discussion of the issues involved.

Mr. Macdonnell: I wish to ask a supplementary question. I must say that the minister's report sounds to me like the old slogan from the child's game, "this year, next year, some time, never." I want to ask the minister whether there has been any offer made to the provinces along the lines of the recommendation of the Archambault report nearly 20 years ago which, as the minister very well knows, recommended in item 74 that "the pay and duties of probation officers should be the subject of an agreement between the provincial and federal authorities." Was any offer made pursuant to that at this meeting? Was there any indication given of co-operation or was it just an exercise in putting off?

Mr. Garson: Mr. Speaker, I must repudiate in as forceful language as I can command any suggestion of my hon. friend, which I think is quite unworthy of him, that this was a put-off performance. If my hon. friend, who I understand has given this matter a good deal of study and who, I gather, is the expert of his party upon this subject—

Mr. Macdonnell: Not an expert.

Mr. Garson: —has any comprehension of the subject matter at all, he will know that it is quite impossible for a conference of federal and provincial ministers to gather together to discuss policy decisions unless they have all of the available data before them. All the provincial ministers were of the same view, and it was with that in mind that this conference of senior civil service officials was arranged. We were all agreed that this was the proper procedure to follow, and they on their side and we on our side are going forward with the matter as quickly as circumstances will permit.

Mr. Macdonnell: The minister has not answered my question.

Some hon. Members: Order.

Mr. Macdonnell: The minister has not yet answered my question, which is very simple.

Some hon. Members: Order.

Mr. Macdonnell: Did the government give any indication of assistance under the recommendation of the Archambault report of 1938 that the pay and duties of probation officers should be the subject of an agreement between the provincial and federal authorities?

Mr. Garson: In reply to my hon. friend's second question, may I say that in all of our discussions with the provincial ministers, having regard to the fact that we met to discuss the Fauteux report, no reference was made by any of us to the Archambault report.

DORCHESTER—STATEMENT ON DISTURBANCE AT PENITENTIARY

On the orders of the day:

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, on Friday last the hon. member for Saint John-Albert (Mr. Bell) addressed a question in my absence which my colleague, the Minister of Finance, agreed to take as notice. The question read:

Has the minister heard of the disturbance at Dorchester penitentiary in New Brunswick and, if so, is he in a position to give any details?

I am informed that on Thursday evening last a small group of inmates at Dorchester penitentiary, about 25 in number, refused to eat their evening meal and threw their trays over the landing, causing some disturbance. The situation was quickly brought under control by the officers of the institution without the general population of the institution becoming involved. The meals served had previously been examined by senior officers of the institution in accordance with the usual practice and they report that there was no just cause for complaint. The meal consisted of scrambled eggs, French fried potatoes, wax beans, a large cup cake, bread and butter and tea with milk.

MERCHANDISING

INQUIRY AS TO LEGALITY OF TRADING STAMPS

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I should like to direct a question to the Minister of Justice. Did the Canadian association of consumers draw to the attention of the minister the circulation of these trading stamps by some of the food stores, and did the minister inform the association that the matter would be looked into with a view to finding whether any legislation covered it? If so, has any conclusion been reached by the minister with regard to this matter?

Hon. Stuart S. Garson (Minister of Justice): In reply to my hon. friend's question, Mr. Speaker, I may say that I received representations with regard to this subject matter from a large number of individuals and associations. My recollection is that I received a communication from the Canadian association of consumers but I should not like to undertake now to repeat, with any pretence to accuracy, the nature of my reply.

Mr. Coldwell: I think I saw it. That is why I am asking the question.

Mr. Garson: If my hon. friend saw it, he can read it. The situation is that we have, as my hon. friend knows, upon the books now a law against trading stamps which has been in existence since 1905. It was continued at the last consolidation of the Criminal Code notwithstanding the fact that we received representations upon behalf of the trading stamp companies to have it repealed. This law is still in existence. The position that we have taken is that we should like to have this law tested before we ask parliament to consider any amendment to it if for no other reason than to know with greater assurance the nature of the amendment that might be required.

CITIZENSHIP AND IMMIGRATION

INDIAN AFFAIRS—INQUIRY AS TO ACCESS TO DEPARTMENTAL RECORDS

On the orders of the day:

Mr. G. H. Castleden (Yorkton): Mr. Speaker, I should like to direct a question to the Minister of Citizenship and Immigration. Are treaty Indians allowed access to the records of the Indian affairs branch in order to defend themselves against eviction proceedings?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, it would be quite impossible to answer this question intelligibly or intelligently in the form in which it is asked because there is no such thing as an eviction proceeding applied to treaty Indians. I presume what the hon. gentleman means is, are persons living on Indian reserves, whose status as Indians has been protested, allowed access to the records of the department in order to help them establish their claim that they are Indians. If that is what this question means the answer is, most certainly they are.

INDIAN AFFAIRS—SITUATION ON HOBBEMA RESERVE, ALBERTA

On the orders of the day:

Mr. F. D. Shaw (Red Deer): Mr. Speaker, reverting to Indians, may I direct a question to the Minister of Citizenship and Immigration. Has the minister been informed that Chief Walking Eagle of the Stony band has, in relation to the Hobbema situation, suggested that Indians in the Rocky Mountain House section of my constituency are talking of the possibility of resorting to the old practice of scalping their enemies, and has the government taken any steps to evacuate the few remaining government supporters from possible danger?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, this is not the first time that this subject has been talked about, and I trust that in this case, as in others, it will end where it began, in talk.

Inquiries of the Ministry

Mr. Carl O. Nickle (Calgary South): Mr. Speaker, I should like to direct a question to the Minister of Citizenship and Immigration. To correct the injustice being suffered by the 118 members of the Hobbema Indian band in Alberta, is the minister giving consideration to the resolution passed by the Alberta bar association that section 12 of the Indian Act of 1951 be repealed on a retroactive basis? Will such an amendment to the act be proposed at the current session of parliament?

Mr. Pickersgill: No, the minister is not giving consideration to recommending any such amendment. The minister wishes to reiterate his hope that the persons who feel aggrieved and their solicitors will enter an appeal so that the courts may decide the issue.

Mr. Nickle: I have a supplementary question. Can the minister indicate what action will be taken by his department in connection with the petition to Her Majesty the Queen sent forward by members of the Hobbema band? Will this petition go from Ottawa to its destination in London?

Mr. Pickersgill: I understand, sir, the petition has been directed to me as the responsible minister and I shall have to give consideration to what is the proper course to take from that point on.

Mr. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, will the minister not go farther than that and say that action will be taken to remove the injustice that is being done to these Indians? Is there not some course that he intends to follow other than passing the buck in connection with this matter?

Mr. Pickersgill: Mr. Speaker, it does seem to me in the first place that this is not a question. What strikes me as a simple layman to be much worse about it is that a barrister should rise in the house and suggest that when an appeal to the courts is provided by law something else should be substituted for that appeal.

GRAIN

BOX CAR DISTRIBUTION AND GRAIN MOVEMENT—INQUIRY AS TO HOLDING OF CONFERENCE

On the orders of the day:

Mr. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a question for the Minister of Agriculture. Has the conference recommended by the agricultural committee during the last session of parliament to deal with improvements in box car distribution and grain transportation been called together as yet?

[Mr. Pickersgill.]

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, the distribution of box cars is not under the administration of my department.

Mr. Dinsdale: Mr. Speaker, if that is so I should like to direct the same question to the Minister of Trade and Commerce. Has the conference recommended by the agricultural committee to deal with grain transportation and box car distribution been called together?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, not to my knowledge. As I recall the recommendation, it was not suggested that the department call the meeting together. I do not remember who was to call it, but I have not heard that it has been arranged.

CRIMINAL LAW

REQUEST FOR REPORT OF ROYAL COMMISSION ON SEXUAL PSYCHOPATHS

On the orders of the day:

Mr. John B. Hamilton (York West): Mr. Speaker, I should like to direct a question to the Minister of Justice. This appears to be his day, too. Since last asked in the house, has the minister discussed or had any correspondence with the chief justice of the Ontario high court division with reference to the possibility of speeding up the report on sex criminals? If so, when might the report be expected?

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, when in my absence in western Canada last week my hon. friend from York West asked this question in the house my deputy was diligent in the matter and telephoned Chief Justice McRuer and received this reply:

> Members of the commission are finding the problem extremely difficult but are exercising the utmost diligence in the preparation of their report which will be delivered just as soon as it is possible.

The chief justice was unwilling to be more definite than that.

[*Later:*]

Mr. Hamilton (York West): Mr. Speaker, a supplementary question directed to the Minister of Justice. In view of the very unsatisfactory answer received from the chief justice of the high court division of Ontario with respect to the time of bringing in his report would the minister consider fixing a date at which time if the report does not materialize someone else would be appointed to complete

the work who would have more time to devote to the subject matter?

Mr. Garson: Mr. Speaker, my answer to my hon. friend is "No, sir."

Mr. Hamilton (York West): A further supplementary question. Since there is every indication that nothing is going to be done about this problem until the report is in, does it mean that the government is giving no thought to taking some action in the near future?

Mr. Garson: I am trying to be as courteous as I can to my hon. friend.

Mr. Hamilton (York West): My questions were courteous.

Mr. Garson: I am not suggesting that my hon. friend's questions were not courteous, but the amount of knowledge he brings to the subject produces a result which is not very courteous to those who know something about it. When the hon. member implies by his question that the chief justice of Ontario and his colleagues upon this commission have been remiss in not producing a report before now in respect to a subject matter which if I am not mistaken has not been very successfully reported upon by any human being, no matter how learned upon the subject, he is making an insinuation which is quite undeserved and against which I must protest.

In so far as the government are concerned, we appointed the members of that body because we had confidence in them and we have confidence in the expedition with which they are carrying on their work. Having some knowledge of its difficulty we are prepared to wait for their report until they can produce one for which they wish to vouch, and upon the basis of which we can produce legislation to this house for which we can vouch.

Mr. Hamilton (York West): On a question of privilege, I should like to point out that there is definitely no reason why the minister should draw the inference which he has in making the political speech he has just made.

CANADIAN NATIONAL RAILWAYS

CHATEAU LAURIER HOTEL—REPORTED CHANGE OF MANAGEMENT

On the orders of the day:

Mr. Leon Balcer (Three Rivers): Mr. Speaker, I have a question for the Minister of Transport. Is it the intention of the Canadian National Railways to write a contract with the Hilton hotel company for a transfer of the administration of the Chateau Laurier hotel in Ottawa along the lines of the contract for the new Canadian National hotel in Montreal between the railways and this United States company? If the minister answers in the affirmative, is it the intention of the government to keep this new contract as secret as the previous one?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I am most interested in the question the hon. member has just asked. This is the first time I have heard any such suggestion made concerning the transfer of the administration of the Chateau Laurier, and having regard to the source of this information which has just come to me, Mr. Speaker, I doubt very much whether it is accurate.

Mr. W. M. Hamilton (Notre Dame de Grace): Mr. Speaker, is the minister aware that the president of the Canadian National Railways when appearing before the railway committee two years ago indicated that his company would consider a management agreement with other C.N.R. hotels similar to that which exists with the Queen Elizabeth hotel in Montreal?

Mr. Marler: No. Mr. Speaker, I am not aware that the president made that statement and I would have to reread the evidence taken before the committee to see what was said on the subject.

PRAIRIE FARM ASSISTANCE

REPORTED INCREASE IN MAXIMUM PAYMENTS

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. Would the minister care to comment on the report written by Vic Mackie which appeared in the Winnipeg *Free Press* last Friday, to the effect that prairie farm assistance payments would be increased from a maximum of $2.50 to $4 an acre?

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, the hon. member sent over to me this newspaper file which has on the front of it a statement written by Mr. Mackie, the press gallery representative of the *Free Press*. The article runs over from the front page to page 14 and I have not yet been able to find page 14 in this large file so I am not going to attempt to reply to all that may be contained in the article. I shall simply say that last Friday a resolution appeared in *Votes and Proceedings* which set out practically all that is contained in the part of the article which appears on the front page of the *Free Press* with the exception of a reference to $4, which of course would not be included, and I presume from what has been said that there is a reference to $2.50 in the

continuation of the article on page 14. All I can say is that the writer of the article apparently has read the resolution very carefully and he has done some guessing on his own part which may be more or less close to what will be contained in the bill when it is brought down.

OLD AGE ASSISTANCE

INQUIRY AS TO REDUCTION OF RESIDENCE REQUIREMENT

On the orders of the day:

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. Has the minister received any representations requesting the reduction from 20 to 10 years of the residence requirement under the Old Age Assistance Act? If so, is the government prepared to give favourable consideration to such an amendment?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, the answer to the first part of my hon. friend's question is yes. The government, as he knows, is always giving consideration to any matter that has to do with the welfare of the people of Canada.

Mr. Zaplitny: A supplementary question, Mr. Speaker. Has the minister been informed by the minister of public welfare of Ontario that the government of that province is prepared to agree to such an amendment at this time?

Mr. Martin: I cannot recall that that is the case but I would be pleased to look at my files and see whether or not that is the situation.

COMMONWEALTH RELATIONS

CANADA-UNITED KINGDOM—REPORTED DISCUSSIONS RESPECTING RECIPROCAL PENSION ARRANGEMENTS

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, may I direct another question to the Prime Minister. Evidently in the British House of Commons late last week the under-secretary for commonwealth relations, Mr. Alport, told that house that the British government was considering approaching Canada with a view to working out some form of reciprocal agreement regarding pension rights and other benefits for persons moving between the two countries, the idea apparently being to further migration. Could the Prime Minister tell the house whether the Canadian government has any such plan in mind and whether it would be willing to enter into an agreement of that nature?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, if the government of the United Kingdom wants to make any suggestion about an agreement to the government of Canada the suggestion will receive consideration, but no suggestions concerning pensions have yet come to our attention.

Mr. Green: A supplementary question, Mr. Speaker. Has the Canadian government ever given any thought to an agreement of this type?

Mr. St. Laurent (Quebec East): Well, Mr. Speaker, I cannot speak with authority for all the members of the government. I have never personally given any study to such a proposal.

THE CANADIAN ECONOMY

GORDON COMMISSION REPORT—RECOMMENDATIONS RESPECTING MARITIME PROVINCES

On the orders of the day:

Mr. J. C. Van Horne (Restigouche-Madawaska): Mr. Speaker, I would like to direct a question to the Prime Minister.

Some hon. Members: Boo.

Mr. Van Horne: Mr. Speaker, when will your government finally decide to implement the recommendations of the Gordon commission relative to the backward economy of the maritime provinces?

Mr. Speaker: Order. I have no government. The hon. member is addressing himself to the Chair at all times, and when he prefaces a question with the words, "When will your government," my answer to him is that I have no government.

Mr. Van Horne: When will the Prime Minister—

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, whenever there is any implementation to be made of the Gordon report the government will make the proper recommendations to the House of Commons.

Mr. Van Horne: When does your government—

Some hon. Members: Oh, oh.

Mr. Van Horne: Does the government intend to take the same sit-down strike attitude it took with regard to the recommendations of the Rowell-Sirois commission?

Mr. St. Laurent (Quebec East): The government would be quite delighted if the hon. gentleman would stage a sit-down strike himself.

Mr. Van Horne: A supplementary question, Mr. Speaker.

Some hon. Members: Order.

Mr. Van Horne: A supplementary question. Why do you object—

Mr. Speaker: Order. These questions are all of great interest to me and I should like to be able to hear them.

Mr. Van Horne: A supplementary question of the Prime Minister. Why does the Prime Minister object to answering the question when his very refusal indicates inaction, indifference and traitorship toward the people of the maritime provinces?

Mr. St. Laurent (Quebec East): Mr. Speaker, I do submit that these are not questions that should be asked on the orders of the day.

HIGHWAYS

REPORTED PAYMENT FOR CONTRACT IN NORTHWESTERN ONTARIO

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Minister of Public Works. He has not yet had one today. This question arises out of press reports concerning a contractor who paid $12,500 in order to obtain a contract to do certain work on a highway in northwestern Ontario. Can the minister say whether any portion of that highway was part of the trans-Canada highway system? If not, does he know whether this practice has been followed in relation to work on any portion of the trans-Canada highway?

Hon. Robert H. Winters (Minister of Public Works): I have not seen the report in question. If the hon. member will bring it to my attention I shall look into it.

Mr. Knowles: It is on the front page of this morning's *Globe and Mail.*

INDUSTRY

POLYMER CORPORATION—DEVELOPMENT AT RED DEER, ALBERTA

On the orders of the day:

Mr. Carl O. Nickle (Calgary South): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. What development is planned by Polymer Corporation on certain lands adjacent to Red Deer, Alberta, and when can some action be expected in this regard?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, plans are being developed by Polymer for a location in Alberta. At the moment progress in planning has not reached the point where an announcement can be made. When that point has been reached, I shall be glad to make an announcement to the house.

LABOUR CONDITIONS

BRITISH COLUMBIA—CONFERENCE TO REDUCE ACCIDENT RATE ON SHIPS

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like to direct a question to the Minister of Transport. Will the minister report to the house the results of a conference held yesterday between the chairman and officials of the workmen's compensation board of British Columbia and officials of his department on ways and means of reducing the accident rate on ships loading in British Columbia ports?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, it is not my intention to report to the house the results of the discussions which have been going on between officials of my department and officials of the workmen's compensation board of British Columbia. I can tell the hon. gentleman that the discussions began only this morning. I have not had any report of them and I think it would be more appropriate to discuss the subject when my estimates are before the house.

OLD AGE PENSIONS

INQUIRY AS TO POSSIBLE INCREASE

On the orders of the day:

Mr. J. C. Van Horne (Restigouche-Madawaska): Mr. Speaker, I should like to thank the Prime Minister for his compliment. May I now direct a question to the Minister of National Health and Welfare. When will the government announce that it has finally acceded to our demands that old age pensions be increased?

Hon. Paul Martin (Minister of National Health and Welfare): Apparently the hon. gentleman is not aware that all that has been done in this field has been done on this side.

Mr. Van Horne: A supplementary question. Does the minister want any proof that he is absolutely wrong?

Mr. Martin: The proof that I am absolutely right is the hon. gentleman himself.

Inquiries of the Ministry

CRIMINAL CODE

STATEMENT ON ENFORCEMENT BY PROVINCIAL GOVERNMENTS

On the orders of the day:

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, on Wednesday last on the orders of the day the hon. member for Hamilton South (Mr. Reinke) asked if I could comment on the question whether there are any steps which the federal government might be able to take to ensure a more rigid enforcement by the provincial governments of the Criminal Code, in view of certain representations that the hon. member stated he had received from the parents' action league in Hamilton and also in view of what he referred to as recent tragedies.

I should say at the outset that I am not aware of any failure on the part of any provincial government to enforce the Criminal Code. Be that as it may, under our system of law it is the responsibility of this parliament to enact the criminal law and it is the responsibility of the provincial governments to see to the due enforcement of that law. I can only suggest that if in any province any person considers that the criminal law should in any respect be more rigidly enforced his representations in this respect should be made to the attorney general of the province concerned.

NATIONAL DEFENCE

MIDDLE EAST—STATEMENT ON LOCATION AND ACTIVITIES OF CANADIAN TROOPS

On the orders of the day:

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, last Wednesday the hon. member for Calgary North (Mr. Harkness) asked if I would inform the house as to the present location of Canadian troops serving with the United Nations emergency force in the Middle East and report on their present activities. There are at present approximately 1,100 Canadian service personnel in Italy and the Middle East. Of the approximately 800 Canadian army personnel in the Middle East, roughly 600 are stationed at the United Nations emergency force base at Abu Suweir in Egypt, and approximately 200 at the United Nations emergency force headquarters at El Ballah, 30 miles south of Port Said on the Suez canal.

In accordance with the request of the United Nations our soldiers are providing communications, engineering and administrative support to the whole emergency force. The activities of these troops are, I think, sufficiently indicated by the names of the units into which they are organized. These are the Canadian base unit, Middle East, comprising some 252 personnel; a signal squadron, composed of 182 personnel; a transport company with 208 personnel, and an infantry workshop consisting of 149 R.C.E.M.E. personnel.

I might mention that the base unit contains an engineering detachment which has been engaged in clearing mine fields, repairing roads and bridges, etc.; a detachment of medical personnel who operate a small hospital, and an ordnance detachment which handles and accounts for stores for the whole United Nations emergency force, and small detachments of other services.

The Royal Canadian Air Force now has four Otter aircraft and one Dakota stationed at Abu Suweir at the disposal of the United Nations commander, and four C-119's based at Capodichino in Italy.

The number of air force personnel presently in Italy and Egypt varies from day to day, but runs to about 220 in Italy and 80 in Abu Suweir in Egypt. It might interest hon. members to know that since the establishment of No. 435 squadron at Capodichino on November 25, 1956, a total of 106 trips has been made to Abu Suweir, and 2,932 personnel and 764,722 pounds of freight have been carried without incident or accident.

Since the departure of H.M.C.S. *Magnificent,* no naval personnel are now in the area.

Mr. D. S. Harkness (Calgary North): May I ask a supplementary question, Mr. Speaker, with regard to Canadian troops in Egypt? From whom are our troops presently in the Middle East, and particularly, in Egypt, drawing their rations and what is the line of supply?

Mr. Campney: I think the United Nations has set up its own line of supply and, like most of the features which go to make up this new force, it is different in its composition and nature from anything we have had before; I cannot give details of the supply line. I know, however, that the troops have expressed themselves as being very satisfied with the whole supply system. It is being carried on by our own troops, but just where the sources of supply are I cannot say.

Mr. W. G. Dinsdale (Brandon-Souris): May I ask a supplementary question arising from the minister's first statement. Can the minister inform the house what welfare services are available to our troops in the Middle East?

Mr. Campney: We have a small welfare unit in the Middle East ourselves; I have made inquiries from time to time and I understand the amenities are all being satisfactorily taken care of, except that there was

some dearth of Canadian news but we have taken steps in an effort to rectify that. Otherwise we have had no complaints at all.

Mr. Dinsdale: Has the minister received any offer of services from a voluntary organization?

Mr. Campney: No, none as yet.

Mr. Leon Balcer (Three Rivers): May I put a supplementary question, Mr. Speaker, to the Minister of National Defence. Can the minister tell us where Canadian troops buy their food stores—is it from the Egyptian government, or from Israel or from Italy?

Mr. Campney: They are being supplied by the United Nations from various United Nations sources.

STATEMENT ON SELECTION OF NEW ARMOURED REGIMENT

On the orders of the day:

Hon. R. O. Campney (Minister of National Defence): While I am on my feet, Mr. Speaker, perhaps I might make a short statement in relation to the armoured regiment which is being made part of the regular army. On Friday last, I think, I stated in the house that I would be able to make an announcement shortly in that regard.

I may say that the selection of this regiment has not been an easy task, because there are a large number of armoured units in the Canadian militia which have long and distinguished histories.

The matter of seniority in the militia list, the geographical location of the unit, the intended location of the new regular unit, the location of the two existing regular armoured units, the areas of Canada now represented by units in the Canadian regular army, and a suitable national name were all factors that had to be considered.

After giving careful thought to all these factors, the decision has been taken to select the 8th Princess Louise's (New Brunswick) Hussars.

As it is considered essential that any unit selected should have a name indicating that it is a unit of the Canadian army, preferably without other local or provincial geographical connotation, the 8th Princess Louise's (New Brunswick) Hussars has been redesignated as the 8th Canadian Hussars (Princess Louise's), and the regiment, under this name, will be brought into the regular army. The regular unit will be known as the First 8th Canadian Hussars (Princess Louise's) and the militia unit will be known as the 2/8th.

The new armoured regiment will be located at Camp Gagetown, with one squadron at Valcartier, Quebec.

Mr. G. R. Pearkes (Esquimalt-Saanich): May I ask the Minister of National Defence what reduction in personnel is indicated by the disbandment of two infantry battalions and the formation of the new armoured regiment; secondly, will the men of this disbanded infantry battalion be given the opportunity to transfer to other units of the active army if they so desire.

Mr. Campney: Mr. Speaker, it is not felt that on balance there will be any reduction in the over-all number of personnel in the army, because, first of all, the personnel of the two battalions which are being run down will be used to strengthen the other two battalions of the Canadian Guards, and to provide reinforcements for the various units which need to be expanded in order to serve the new armoured regiment. Some may, of course, elect to go into the new armoured regiment. As I say, I think that on balance the total number will be about the same.

Mr. Pearkes: And they will all have the opportunity to transfer to other units?

Mr. Campney: I would not like to say how wide that opportunity would be, but I presume an opportunity will be given them; they will select what they want to do, and effect will be given to their wishes.

Mr. Thomas M. Bell (Saint John-Albert): I wish to ask a supplementary question, Mr. Speaker, regarding the announcement which the minister made respecting the Princess Louise's Hussars. What preference will be given to the officers and men who are already serving in the present militia unit of the same name?

Mr. Campney: That is a matter of internal arrangement. I presume the staff will have worked out a system of handling the new officers and personnel. Just what the position of the militia personnel will be in that arrangement, I would not attempt to say.

WATER RESOURCES

CHICAGO DIVERSION—DECISION OF UNITED STATES SUPREME COURT

On the orders of the day:

Mr. Lucien Cardin (Parliamentary Assistant to the Secretary of State for External Affairs): Mr. Speaker, on January 16 the hon. member for Lambton West (Mr. Murphy) asked a series of questions, and the answers are necessarily long. In view of the fact that the hon. member who asked the questions cannot be in the house today, perhaps, in order to save time, the house would agree that the answers be printed in *Hansard* or in *Votes and Proceedings* rather than that I should read them.

Mr. Speaker: Is it agreed that the reply which the parliamentary assistant to the Secretary of State for External Affairs is prepared to give at the moment be printed in *Hansard* as if it had actually been given in the house?

Some hon. Members: Agreed.

Right Hon. L. S. St. Laurent (Prime Minister): Would it not suffice that it be appended to the written answers merely with a statement that the following is an answer to an oral question reported at such and such a page in *Hansard*?

Mr. Knowles: That is better.

Mr. Speaker: Is it the wish of hon. members that this be done?

Some hon. Members: Agreed.

(For text of answers referred to above, see pages 789-90.)

SUPPLY

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

DEPARTMENT OF FINANCE

University grants—

541. To authorize payments to the national conference of Canadian universities (hereinafter called "the conference") for the purpose of making grants to institutions of higher learning in accordance with an agreement entered into or to be entered into, with the approval of the governor in council, between the Minister of Finance and the conference, such agreement to include, inter alia, provision that the total amount of grants to all the institutions of higher learning in any one province be calculated by multiplying the population of the province by $1, and that any amount payable to an institution of higher learning and not paid by the conference in the present fiscal year may be retained by the conference until such time as the institution to which the money is payable claims the payment from the conference or parliament provides otherwise for the disposal thereof; the amount appropriated under vote 132 of the Appropriation Act No. 6, 1956 to be applied to the purposes of this vote; additional amount required, $7,986,000.

Mr. St. Laurent (Quebec East): Mr. Chairman, this vote represents a recommendation by the government that the grants that have been made since 1951 to aid universities in the discharge of their increasing responsibilities to the Canadian public be increased, in fact, be doubled and be calculated on the basis of $1 per capita of the Canadian population instead of 50 cents per capita of the Canadian population, as has been the case heretofore. Hon. members will remember that when the Massey commission held its hearings throughout the country all Canadian universities asked for special financial assistance from the federal government and that several organizations supported that claim. The Massey commission itself felt that such assistance was not only needed but urgent, and recommended:

> That . . . the federal government make annual contributions to support the work of the universities on the basis of the population of each of the provinces of Canada.

The commission further recommended:

> That these contributions be made after consultation with the government and the universities of each province, to be distributed to each university proportionately to the student enrolment.

The basis used by the commission as an illustration to determine the level of these contributions was 50 cents per head of population. It will be remembered that in 1951, after further representations from the Canadian universities and consultations with provincial governments, it was decided to recommend to parliament that that recommendation of the Massey commission be implemented. I am under the impression that it was the kind of recommendation that commended itself to practically all hon. members of the house, and an amount calculated on the basis of 50 cents per head of population has been included in the estimates ever since.

These payments were distributed directly to the institutions recognized by the provincial authorities as of university level in each province. The total amount was divided in proportion to the whole population of each province and within the province was divided among the institutions in proportion to the student enrolment in the courses leading to university degrees.

In the province of Quebec the authorities saw fit to allow this aid to be accepted for the first year only because it was stated that they feared that this was a first step towards encroachment on the exclusive jurisdiction of provincial legislatures in the field of education. I am sorry that that position was taken because I think that the institutions in Quebec could have made as good use of their share of this grant in past years as we know was made by the institutions of university level in the other provinces of Canada. I am sure that the work of the universities has been materially assisted by these grants and I do not think that their freedom and independence have been jeopardized in any way by the acceptance and use of the grants thus provided out of the appropriations made by the parliament of Canada.

In the meantime the situation of our universities has probably worsened. The most tragic aspect of this situation is undoubtedly the economic insecurity of the teaching profession. In its preliminary report the Gordon commission has stated the problem as follows:

> University salaries have barely kept pace with the changes which have occurred in the price level since pre-war days. Living standards of university

teachers, especially of those in the higher ranks, have not increased with the general prosperity of the country as a whole. In fact, they have declined, and declined substantially, in relative terms.

Then a little further on:

These salaries do not bear comparison with the scales of remuneration which able men can command in business or in the professions or even with the earnings of some skilled workmen.

They go on to say:

The total annual cost of all salaries paid to assistant, associate and full professors in Canada at the present time, including deans and heads of departments, is about $12 million. As already stated we believe that it is important that the salaries of university teachers be increased very considerably.

Recently the executive council of the Canadian association of university teachers adopted unanimously a national salary scale of $8,000, $11,000 and $14,000 for assistant, associate and full professors. This scale is intended to secure to university teachers today their pre-war status and is based on 1938 average salaries multiplied by 3.5 which represents the composite increase in the cost of living and in the average real product of the Canadian worker since 1938.

The application of that new scale of salaries will involve the doubling of present salaries in central and western Canada and would require an additional annual expenditure by universities of approximately $12 million. Moreover, university enrolments are now rapidly increasing and it is expected that they will double by about 1965 which means, according to reliable estimates, that the staff of the universities should also be twice as large as it is now if young Canadians are to receive proper attention from the teaching staffs of the universities. This means that to meet our needs in this field our universities will have to devote about four times as much money on the salaries of teachers as they spend now.

We are now facing a dilemma which may be defined in simple terms. If the universities cannot spend more than at present on salaries, they will not only be unable to attract more teachers but they will be apt to lose more of the good ones they now have as, unfortunately, has been going on for some time past. In view of our rapidly increasing needs, I think this would have a pretty tragic effect on the development of Canada as a nation and I feel that all Canadians would not want such a crisis to take place. On the other hand, if universities are to fulfil their important role they must attract an increasing number of competent teachers and to do this they must be able to spend much more on salaries by 1965 than they spend at the present time.

The Gordon commission concludes its appraisal of this problem as follows:

In this connection it must suffice for us to express the strong opinion that no government which bears any share of responsibility for the future economic development of this country can allow a solution to the pressing financial problems of the universities to go by default.

That is pretty strong language but I think it is language that is fully justified by the situation facing us. According to the provisions of our constitution, it is clear that provincial governments have the main responsibilities in this field, and I think we are all confident that they will continue to meet that challenge and devote an increasing share of their rising revenues to assist Canadian universities in fulfilling their very necessary and important tasks. However, this has not been regarded in the past as their exclusive responsibility and I hope it will not be regarded in the future as their exclusive responsibility. Private foundations in industry, both in Canada and from abroad, have made important contributions in the past to help our universities and the teachers in them. While we hope that private contributions from other countries, especially those with which we have the closest relations, will be continued,—perhaps even that they might be increased—I am sure that hon. members have noted with great satisfaction the active interest which Canadian industry has shown more recently in this field. Our business men realize more and more that they can no longer afford to be indifferent to the financial problems of our universities, and they have initiated projects which, if fully implemented, will have most beneficial effects. These developments will be most reassuring for all of us—and I am sure that is the overwhelming majority —who want to see not only the survival but the expansion of private institutions of higher learning in Canada and who believe that the diversification of sources of revenue is the best method by which our universities can achieve and maintain the highest degree of intellectual freedom and intellectual independence.

While there is general agreement that provincial governments and private industry should increase their assistance to universities, there are Canadians who feel that the Canadian government should not intervene in this field. I cannot share that view. I believe that the Canadian government has the constitutional right to offer assistance to universities and that it is its duty and responsibility to do so. After all the Canadian people through their elected representatives are the greatest consumer in numbers of the training that is given to our young people in

our Canadian universities. If we did not have the Canadian universities to give them that training, we might be in the same position as that in which we find ourselves with respect to the training of officers and directors of our armed forces and be obliged to establish, maintain and operate special schools for their training. I think that would be a great misfortune. I think it would be a great misfortune if the civil servants in the ordinary administration of their fellow citizens' affairs were not trained in the same way and were not regarded as part of the general public about whose affairs they are obliged to busy themselves.

I have seen countries where there seemed to be one group that was the government group, going from the prime minister right down through every degree of civil servant, whilst the governed were another group. That is not the way in which we have been brought up. That is not our way of life. In our democratic institutions it is the people themselves who select from among themselves, directly or through their representatives, those who are entrusted with the administration of such of their affairs as must be administered for the group at large. I think that is a more healthy situation than would be the case if we trained a certain number of young Canadian citizens for the occupancy of any ivory towers of civil administration.

It is on the same general basis of its constitutional right to devote funds from the consolidated revenue fund to national needs that the federal government has distributed, through the national research council, an amount of approximately $25 million since 1917 for postgraduate research in the field of the national sciences, these amounts being distributed to individuals and to universities. A great number of other federal programs have the same constitutional basis. Family allowances; the national health program; our financial contributions to pensions for the blind and for disabled persons; our assistance to technical and vocational training and to the unemployed; our equalization payments to the provinces; our contributions under the Canada Forestry Act and the Canada Water Conservation Assistance Act, as well as others, belong to the same category of services which are primarily a provincial responsibility but which are of national concern and have benefited from the appropriations by this parliament to assist in carrying them out. All these programs have common features. They are financed through the consolidated revenue fund. They do not involve any element of compulsion and they apply to classes of responsibilities which relate to matters within the legislative jurisdiction of the provinces but they do not amount to legislation controlling the administration or the operations of these functions.

From the origin of confederation provincial governments have accepted most of these programs and have participated in the financing of some of them without questioning their constitutional validity. They themselves have used the same continuation of the royal prerogative to apply public funds to matters that would be of value to the national development or to the welfare of the nation as a whole. In my own province where there have been these fears expressed about the constitutional right to make these grants the government, with the authority of the legislature itself, has made similar grants to educational institutions outside the limits of the province. I think the first was made for the University of Ottawa many many years ago, and they have continued to be made. I think they have helped to develop this feeling of interdependence of the people of one area and the people of another area. We feel—and I think parliament has accepted that provision—that it was proper to make grants in aid to further the good work of the universities. Of course, no one is obliged to accept these grants. But their acceptance has not in the past led to any undermining of the legislative jurisdiction of the provincial legislatures in respect of such activities, and I do not think it will do so in the future.

Federal assistance to the universities also raises the question of policy. I think that policy has been, six times already, decided by this house in respect of the earlier grants. I hope an increase, which will amount to approximately one dollar per head in all of the Canadian population, will be regarded as a proper contribution to make to their work.

In order to try to make it appear more obvious that there was no attempt whatsoever to control the activities of or to legislate with respect to the operations of the universities we are making the following recommendation instead of making direct payments to the individual institutions. We are not concerned with the individual institutions as individual institutions. We are concerned nationally with the effect of the university services to the Canadian nation. We are now recommending that instead of having cheques written out by the Department of Finance to each individual institution, the total amount appropriated by parliament for aid to the universities will be turned over to the National Council of Canadian Universities which has been incorporated recently and which, through

its appointees, has agreed that it would accept the duty of receiving this amount en bloc from the federal treasury and of apportioning it on the basis as between provinces of the population of each province and on the basis within the province of the number of student enrolments in each institution recognized as being of university level in that province.

Hon. members will have noted that the item in the estimates provides that the amount which had been previously voted in the general estimates under vote 132 of the Appropriation Act No. 6, 1956, will be applied in the same way. In the past these votes, though made during the winter season, were not paid to the universities until late January or in the course of the month of February of the next calendar year. It was felt that if parliament were to consider that it was proper to increase the amount of the aid to the universities to an amount equal to $1 per capita of the Canadian population in view of the existing circumstances, it would not be proper to wait to give effect to that decision until the month of February, 1958. For that reason, this additional amount which will bring the vote up to practically $16 million is set out in language which will make it the duty of the Minister of Finance, after entering into a contract with the incorporated body, the National Council of Canadian Universities, to pay the whole amount over almost at once, as soon as the legislation becomes effective, so that it will be available for use in this calendar year and will not be retarded until the calendar year 1958.

I have been asked why there was this system of turning the grant over to the National Council of Canadian Universities instead of continuing to make the payments to each insitution individually. Well, I had hoped, and I still hope, that ultimately it will convince the people who require university services throughout the whole of Canada that there is no intention and no possibility of this impinging upon the exclusive legislative jurisdiction of the respective provinces; that it is something which the Canadian government feels, in the interests of the Canadian people represented by the Canadian government, ought to be done in order to compensate for the direct value it receives from those university services in the training of the personnel fitted to occupy the offices in the administration which as the population increases and as the economy becomes more productive, are increasing in responsibilities and do require trained minds properly to administer the legislation which the representatives of the people adopt in their parliament.

So that there may be no suggestion that the whole Canadian people are being taxed for the benefit of only a portion or only certain regions of the country we want to provide that these amounts, if they are not taken immediately, will remain as a trust in the hands of the National Council of Canadian Universities to be applied for whenever the institution to which they would have been allocated sees fit to apply for them or until parliament sees fit to dispose of them otherwise. These are the terms that are set out in this vote.

Hon. members will recall that in the other votes it was the Minister of Finance who was to determine by regulations the various details that would go to fix what would be the meaning of university level and such other details. Well, all this will be set out in the contract entered into between the government and the National Council of Canadian Universities. As soon as that contract is entered into it will be tabled here and hon. members will see that the draft that is being discussed makes no change in the manner in which the calculations were to be made for the appropriate allocation as between provinces and as between institutions within the provinces in the previous votes for the lesser amounts.

I trust that any misgivings which may exist anywhere as to the possibility of the Canadian parliament wishing to trespass on the jurisdiction of the provincial legislatures in respect of education will disappear and that it will be recognized that this is something that is in the interests of the nation as a whole, that is almost indispensable to the proper development of the nation as a whole, and that it will not in any way lessen the feeling of responsibility of the provincial governments or of those other employers of trained minds whether they be industrial or commercial firms or be other like organizations which are beginning to recognize—and I trust they will continue in their recognition —their responsibility—to do their share so that we may continue to have—I think we have had it in the past—university service of which we shall have every reason to be satisfied and be proud; that we shall continue to have the kind of university services that are necessary for the proper development of a nation that has tremendous natural resources, that has been very benevolently blessed by Providence in the area and richness of its land, and which I feel is to be the earthly home of an increasing number of reasonable-minded, well-trained members of the human family who will not only provide good living conditions for themselves in their own land but will continue to make their contribution to the welfare and improvement of human life throughout

as large an area of the terrestrial globe as their influence may happen to reach.

Mr. Macdonnell: Mr. Chairman, the Prime Minister has been at pains to give us a very full and clear exposition of the reasons underlying the grants to universities and the change in the routing of the money, so to speak. I think there will be the widest measure of agreement in this house as to the desirability of assisting universities. That was covered in considerable detail the other day and I shall pause only for a moment or two to comment on what the Prime Minister said about the teaching profession. I think we will all agree with that.

I suppose it may be said that the manner in which those in the teaching profession are treated in a country is a sign of the degree of its civilization and I have sometimes been worried that in our own country we do not treat those in the teaching profession as we should, and this is particularly true in times of great prosperity. It was true in the gay twenties, in the thirties things levelled up better, and now again there has been a falling behind.

It is not disagreeing in the least with what the Prime Minister said concerning what is needed to be done if one offers one or two comments about the teaching profession. There are, of course, those dedicated spirits who regard the teaching profession as a way of life and who would be in it even if it involved something approaching starvation. I remember a professor of mine who sought my assistance one day in the preparation of his income tax. This was a good many years ago and at that time he was earning the munificent salary of $6,000 a year which he thought was a very good salary. I said that I did not agree with him and that he ought to receive the same amount of remuneration as a successful businessman. "Oh," he said, "but look at the kind of work I am doing. Why, if I were a man of means I would be ready to put down a premium to be allowed to do it". Well, Mr. Chairman, there are not many people like that, although there are some and in varying degrees there are dedicated spirits who would teach even though they had to suffer in order to do so. Also as a way of life we must not forget it has great attractions. It offers leisure which the rest of us do not enjoy and I say that not in order to disagree with what has been put forward as to the need but merely to draw attention to these aspects.

We come now to the actual grants. The Prime Minister has explained in considerable detail the reasons for the new method of routing the money. The Prime Minister very naturally is interested in the constitutional aspect of it which is seriously regarded in certain quarters and he has been at pains to explain it to us. Then we come to the national conference of Canadian universities. I suppose it would be a fairly accurate description of the use of the conference if I said it is to be used rather like a conduit pipe for the transfer of the money from the government to the universities. Well, a conduit pipe has not a very elevated function but it is useful and therefore I do not see that it is of vital importance whether the national conference of Canadian universities or the present system is used. I somewhat regret that the national conference will be used because it does not seem to me to be a natural function for it. I do not believe it is incorporated although it will become incorporated.

Mr. St. Laurent (Quebec East): The letters patent under part 2, I think it is, of the Companies Act were issued on January 18.

Mr. Macdonnell: Thank you. The Prime Minister has I think covered one point which is necessary to be covered. I think it is clear from what he said that the national conference is not to have any discretion whatsoever in the matter of apportioning the funds. I think it would be not only unfortunate but most undesirable if any discretion were left, and that leads me to express the hope that the Prime Minister will give us some indication of the agreement which is to be entered into and which I assume will give definite directions to the national conference as to how the money is to be paid.

I have already said I rather regret that this method is to be used. In the first place it seems to me it is introducing a piece of machinery which we could very well have done without. Nevertheless I do not think it is a matter one should take too seriously and on the understanding which I got from the Prime Minister's speech that there will be no discretion left to the conference and that it will merely pass this money on, then it seems to me we come to the question as to whether or not we are prepared to increase the grants to the universities from 50 cents per head of population to $1; in other words, to double the grants. As I understand it, these grants go to the universities free of strings of any kind and I can speak for one university which has received its grant with very great thankfulness.

I do not think there is anything I need to add. Other grants for universities with a view to capital expenditures will be discussed and that need not be gone into now.

As I said, Mr. Chairman, I am not following the Prime Minister in discussing the constitutional details of the situation because that is a matter that concerns him and the government, and I can understand how much it does concern them; I think I shall content myself with what I have said.

Mr. Knowles: Mr. Chairman, we welcome this supplementary estimate which is now before us. We welcome the decision of the government to double the amount of money to be paid by way of grants to our Canadian universities. We also welcome most heartily the speech that has been made today by the Prime Minister.

Some hon. Members: Hear, hear.

Mr. Knowles: I note that it is welcomed in all quarters of the house. I merely want to say, Mr. Chairman, that it is a speech that would have been most welcome yesterday.

Some hon. Members: Hear, hear.

Mr. Nowlan: The Minister of Justice is not listening.

Mr. Knowles: As a matter of fact I noticed that part of the speech the Prime Minister made today was from a manuscript and I think it is unfortunate that he had not shown a copy of that manuscript to the Minister of Justice before that hon. gentleman made the speech he gave us last evening.

Mr. Nowlan: The Minister of Justice is looking very busy now.

Mr. Knowles: I suggest, Mr. Chairman, the Canadian people are going to be somewhat confused by the news that is coming out of Ottawa these days with respect to the question of education. One day the news is that the government is all for the assisting of education in this country. On another day the news is that the government is against it, that the Minister of Justice has pronounced upon the subject and has said it is contrary to the constitution. Come another day and the Prime Minister says that education is something that is in the interest of the nation as a whole and that it is almost indispensable, in the interests of the nation as a whole, that something should be done about its financial support. I know that a line is drawn by the government between university education and general education at other levels, and the Minister of Justice is slightly on one side of it and the Prime Minister is slightly on the other side. Surely any reasonable person in Canada who is interested in the welfare of this country would agree that what the Prime Minister said today about the importance of education and about the concern of the nation as a whole in education applies to all levels of education just as much as it applies to university education. I say again that we welcome most heartily the excellent speech the Prime Minister made today. I am only sorry the Minister of Justice did not know that this speech was going to be made before he presented the remarks which he placed on the record last night.

In connection with this attempt to draw the line between university education and education generally may I remind the Minister of Justice of something with which he must be familiar, coming as he does from the same province which I have the honour to represent. He knows that in Manitoba grade 12 in high school is the equivalent of first year in our universities. As a matter of fact many of the courses taught in the first year of university, in both arts and science, are almost identical with some of the courses taught in grade 12. Boys and girls of around 17 years of age going to grade 12 in the high schools of Manitoba are in an educational system which according to the Minister of Justice cannot receive any financial assistance from the federal treasury because the constitution stands in the way, but other young men and women of the same age are going to the University of Manitoba or its affiliated colleges and taking exactly the same courses and according to the Prime Minister it is in the national interest that those institutions be assisted financially out of the federal treasury. I agree with the Prime Minister and I disagree thoroughly with the position taken yesterday by the Minister of Justice.

I hope that the growing interest in the importance of this question which was evinced by the excellent speech made today by the Prime Minister means that what we know is true will soon come to pass, that the day will come when out of the federal treasury there will be substantial grants of money for this important national interest, the interest of the education of our people.

The Prime Minister put it very well in what he said today about what education means to the community, to the government, to the civil service and to our people generally. If education means all of that to this nation and requires that the federal government find ways and means to provide financial aid at the university level, we submit that it applies to education generally. The only criticism I have to make of the Prime Minister's speech is that he did not rise in his place yesterday and make the same speech on the motion moved by my colleague, the hon. member for Saskatoon.

The Prime Minister has been confronted with the difficulty of finding some way in

which to make these grants to universities without paying them to the provincial governments or directly to the universities themselves. He has come up with this very interesting device—I have no quarrel with it at all—of paying the money to the National Conference of Canadian Universities so that that body may in turn channel it along to the universities themselves.

I was interested in the exchange which took place a moment ago between the hon. member for Greenwood and the Prime Minister. The hon. member for Greenwood thought that the National Conference of Canadian Universities was not an incorporated organization, but the Prime Minister came right back to say that letters patent had been issued recently putting that organization in the position where it could receive and handle this money. If the government is to be logical in this and recognize the importance which education generally plays in the life of this country it could probably suggest that letters patent be issued to the Canadian association of school trustees so that federal money could be made available to assist education down the line.

We welcome the education which is taking place on the other side of the house. We welcome the realization which is growing, as expressed in the Prime Minister's speech, of the importance of this question and we hope that it will not be long until we see a real extension of this principle in terms of the precepts laid down today by the Prime Minister.

I want to say just a few words with particular reference to the province from which I come. Thus far I have been speaking on behalf of our entire group in welcoming what the Prime Minister has said today, but as one coming from Manitoba I wish to point out that in our province there is a particular need for increased financial aid at the university level. All of us in Manitoba will be delighted that the amount to be made available to our institutions at the university level will be doubled as far as our province is concerned. As other hon. members from my province know, some months ago we lost from our university the entire staff of teachers in the faculty of education. Those teachers were lost to a university which was able to pay higher salaries.

Mr. Sinclair: They were attracted there. It was not a matter of salaries at all, it was the better working conditions and the fact that it is a nicer province.

Mr. Knowles: The Minister of Fisheries never misses a chance to put in a plug for the climate and some of the other advantages of the province of British Columbia, but some of the rest of us feel that there is nothing like the invigorating effect of life on the prairies. As I was saying, a year ago we lost the teaching staff of an entire faculty because of the inability of the University of Manitoba to pay salaries equal to those that could be paid somewhere else. In recent weeks there has been great concern at the University of Manitoba with respect to another faculty, the faculty of engineering. There is grave danger that some of the professors in that faculty may leave for the very same reason, because the salary scale at the University of Manitoba is inadequate.

Strong representations have been made to the university and the provincial authorities in Manitoba by representatives of the students. I am sure all of us who recall our college and university days will be interested in reading of this delegation of students going to the university authorities. I remember some strange things we went to the authorities about in my day but I do not recall that we ever urged that the professors should receive higher pay. Such is the state of university salaries at the present time, such is the seriousness of the situation created by the possible loss of professors by certain universities that that is what students are organizing for at the present time. They are trying to persuade the authorities to pay a higher scale of salaries to the professors in the engineering and other faculties in the University of Manitoba.

I could go on and speak of other difficulties facing the University of Manitoba. A minor tragedy occurred during the early part of the winter when a chemistry laboratory was destroyed by fire. This was just an old hut in which chemistry experiments were being carried on, but its loss underlines the need, not only for paying adequate salaries to professors but for providing buildings and other capital equipment.

So I say that in Manitoba, and I know the same is true in some other provinces, the need is very great. There is a crisis at the university level just as there is a crisis in education generally, as was indicated yesterday by the hon. member for Saskatoon. We feel that very serious attention must be given to this matter.

We do not want the government to take the view that because we welcome this larger grant, that so far as we are concerned it is the end of the story. We feel that sooner or later there will have to be a real grappling by all governments in this country with this problem. They will have to sit down together and consider the whole problem of the financing of education. At its very

beginning this country made the decision that in terms of education we would be a democracy, we would make education available to everyone. I for one do not think that we made a mistake. However, if we are going to continue to adhere to the principle that education should be made available to everyone we are going to have to face these increasing costs. We are going to have to provide for them in ways that are sensible, in ways that relate to the nature of our economy at the present time. I am glad to hear the Prime Minister say that the federal government has the prerogative of making grants wherever it feels that the making of such grants is in the national interest. I am glad, too, that he underlined the right of the provincial governments to make grants wherever they feel that they are in the interests of the community generally. Nothing could be of greater interest to life in this country, and to the future of Canada, than the channelling into education of the proportion of our total national wealth that it needs and deserves. Toward that end I hope there will be further progress in the near future. Again, I say, we welcome this estimate; we shall vote for it gladly. We also welcome the speech of the Prime Minister (Mr. St. Laurent). We regret he did not make it yesterday. We hope he will make it the next time the broader question of aid to education, without—in his own terms—interfering with exclusive provincial jurisdiction, comes before this house, as come it will.

Mr. Hansell: Mr. Chairman, I intend to take just a minute on this item. I appreciate the views that have just been expressed with respect to the Prime Minister's speech this afternoon, and how appropriate it would have been had he made the same speech yesterday on a previous resolution, even though that resolution was sponsored by a private member. I may say that I am alarmed, however, that the government, with its huge majority, voted against that resolution yesterday—

Mr. Knowles: They talked it out.

Mr. Hansell: They talked it out, yes, but if they had voted on it the effect would have been the same, because the Minister of Justice himself gave the lead in one of the closing speeches. I am surprised at that, because the whole tenor of the speeches made yesterday by those on the government side of the house was to the effect that they were not in favour of the motion as proposed by the hon. member for Saskatoon.

I noted, Mr. Chairman, that the Prime Minister made reference in his speech to certain regulations which must be laid down, and in accordance with which the council of universities will administer this money. I agree that there must be some sort of regulations governing this matter; I do not know what those regulations are going to be. It occurs to me that we might have been given some elaboration of that subject; I am inclined to think that, perhaps, the small colleges may be left out in the cold.

I am a believer in the small college; I believe the small college is of great value to the general educational progress of our nation. I have been connected with small colleges during part of my life-time experience, and I believe they have a very important part to play in our national life. I am sometimes amazed at the way in which we grind out the students who go forth from our high schools and universities—it is just like grinding them out of a mill. I wonder sometimes if they do not leave our schools of higher learning as if they had been turned out by an assembly line process which results in all of them knowing and believing the same things. I wonder if there is any real individual thinking among them.

I believe that the smaller college gives more personal attention to the student, and for that reason alone such colleges are of particular value. It is one thing to educate a mind; it is another thing to educate the personality. There is a difference between loading the mind with figures and facts and teaching the mind to think for itself. I am a great believer in individual freedom, and I believe the best possible education that can be given to our young people, and the most valuable education to provide for the nation, is the production of minds trained to think for themselves. When this is the object of education you do not get the stereotyped mind; you get independent thinking—and independent thinking is that which has made history. I make a plea for the smaller colleges on that account.

I suppose, Mr. Chairman, that there are a good many small colleges which are affiliated to universities, but there may be other types of colleges which are not. Let us remember this; education does not come only through a recognized university. Some of our young people, while desiring to think properly, also desire to use their hands. I do not know whether there will be any assistance here for some of our technical colleges. Some of our young people like to go in for agriculture. I know there are agricultural subjects taught in some of our universities, but I would be interested to know whether certain of our agricultural colleges may gain assistance from these grants. Then, again,

there are religious colleges. There are a good many young people who wish to enter a school of religion, and there are some independent colleges connected with churches of one kind or another. All these things constitute what I would call a proper educational system for the nation as a whole, yet a lot of these smaller colleges have to go begging for money. Some of them are organized on a voluntary basis; some of them have to go out and appeal for funds from their congregations or from donors who may be particularly interested in an individual organization. I wonder whether any assistance would be given to such colleges as these from the funds which will be made available.

It is no mean fund; it is $7,986,000 a year, plus what has already been appropriated.

Mr. Speaker, I do not think I wish to say anything else. We are in favour of the appropriation, but I would just voice this plea for the smaller colleges.

Mr. MacEachen: I want to make a few remarks on this important subject, to express, particularly, my own pleasure at the increased support to the universities which this item represents. After listening to the remarks of the hon. member for Winnipeg North Centre I am inclined to suggest that in this field of support to university education we have come a great distance in a relatively short time, and I believe, personally, that the wide public support which has been given to this assistance to the universities is the result, primarily, of the sympathy with which the Prime Minister has presented this problem not only to the house but to the people of Canada.

Before coming to the house as a member I had the opportunity to teach at a university in Nova Scotia and since that time I have been rather close to the administration, and have learned the very wholesome effects which have followed from this assistance. Now the assistance is to be doubled and further beneficial effects will flow. Several years ago St. Francis Xavier University at Antigonish opened a junior college in Sydney which now gives the first year in university education, particularly to the sons of coal miners, steel workers and others in the area who might not be able to leave their homes to go to a distant place. Just a year ago I had the opportunity of talking to the principal of Xavier junior college and he gave me a very vivid and impressive account of the good work that was being done not only in the academic field but also in other adult classes and he suggested that without the assistance provided through these university grants it would be next to impossible for this small community college to carry on this very useful work.

I believe further that the assistance now given in Nova Scotia and the maritimes generally, despite certain improvements that some of us would like to see, has meant a great deal to the smaller colleges to which the hon. member for Macleod has made reference. Twenty years ago there was a greater crisis in education in the maritime provinces than there is today in the sense that a great discussion took place on the desirability of university centralization. The advocates of centralization were unable to achieve their objective and the result is that we have in many parts of Nova Scotia today outstanding smaller universities which are giving not only good academic courses but are providing outstanding community and cultural leadership in various parts of the province. I do know that eastern Nova Scotia would be much poorer without the existence of St. Francis Xavier and I do know that the Annapolis valley would be much poorer without the existence of Acadia university.

The system of university assistance now in vogue permits a continued decentralization policy and does not in any sense attempt to centralize or bring together the whole university community into one locality as used to be advocated. It is very interesting also to observe that the trend today, as reflected in the remarks of the hon. member for Macleod, is towards a greater emphasis on the smaller community college, and this trend has reached its greatest development in the United States. I believe that the system of making these payments adopted by the House of Commons is helpful to the small liberal arts college and university and, indeed, some of the apprehensions expressed by the hon. member for Macleod do not come about because all of the church supported universities, provided they meet the required qualifications, receive assistance. There is certainly no effort to make a choice as between church schools and secular schools.

I was particularly pleased with the emphasis that the Prime Minister placed on the salary schedules existing in Canadian universities. There is an emphasis, sometimes too great, on building programs and on the development of great physical plants. But no matter what buildings are erected on university campuses, a university is still made up of professors, books and now, in a technical era, laboratories, and no great expansion of physical plant will replace the quality of professors who are the human medium of instruction.

I know it has been very difficult for young men in this country to continue their

academic careers in the universities because of the lower salary schedules and because of the greater inducements offered by industrial and other occupations in the country. No single feature of this item appeals to me more than the capacity which it provides to Canadian universities to spend more money on the very indispensable part of a university, namely, its professors.

It is true that the assistance herein provided is not a final answer to the financing of universities. Universities will be expected to continue to cultivate their own private sources of assistance. That is all to the good because it is important that voluntary agencies and private individuals through their personal connection with the universities continue their interest in the cause of higher education.

I do not intend to go into the constitutional aspect of the problem but no matter what can be said on the constitutional phase it is still a truism that the universities are national institutions. If you consider, for example, the total number of graduates from any of the universities in Nova Scotia you will find that about 35 per cent serve in other provinces of Canada. Even if you consider the graduates of the larger universities in the provinces of Ontario and Quebec you will also find that many of these graduates do not remain in their own provinces but go and offer their services in the other provinces of Canada. Therefore there is a great and very wide circulation of graduates from provincial universities throughout the whole of Canada. These services are offered everywhere and point up very clearly that the universities of our country are national institutions and are deserving of national support.

I certainly welcome this particular item and I am sure that if this session is not notable for anything else it will be notable in the university communities of Canada for the very great strides made by parliament and the government in giving practical form to the great desire we all have to support the universities and the students of Canada.

Mr. Nowlan: Mr. Chairman, I have been thinking exactly as the hon. member for Inverness-Richmond has been thinking, that whatever else may be said of this session or whatever else may be said before we are through and possibly experience a more tumultuous atmosphere than has heretofore characterized this chamber, no session has ever had so much to do with education as the present one since we opened on January 8. With the cultural council, with the resolution of the hon. member for Saskatoon, with the philosophical and learned address with which the Prime Minister opened the debate this afternoon, certainly this is a most unique session. I am sure there are those in the house, including myself in the very short time I have been here, who remember that when we started to discuss this item in 1951 we were told by some gentlemen who occupy rather prominent positions in the house: You should not urge that, do not ask for anything more, you know, it is such a risky proposition, the government is on such dangerous ground that the subject is very likely to be dropped, and please say nothing about it or else that will happen to it.

When we hear the forthright, intelligent and able presentation of the Prime Minister this afternoon with respect to this question we can realize how far the house and the government have progressed along this line in the days since the item was first introduced in 1951, I believe the Prime Minister said. Certainly we can all heartily agree with all that he said.

I am not going to take the time to discuss the matter at any length now. I have expressed my opinion on it in times gone by. I gather from the Prime Minister that we are going to operate under exactly the same formulas as have prevailed heretofore except that the amount will be $1 instead of 50 cents and the amount will be paid to the council or conference rather than paid to the universities by the Department of Finance. I am sure we all welcome very heartily the 100 per cent increase in the contribution.

I do not have to emphasize the problems of the universities today. The hon. member for Inverness-Richmond suggested that the problems were not as great as they were at one time.

That is possibly true, Mr. Chairman, though I doubt it. The one thing I would regret most in the Prime Minister's speech this afternoon was the reading of the salary scale which has now been suggested and approved for university professors across Canada. I can imagine the reactions of certain university professors. I am sure if our friend the hon. member for Inverness-Richmond were still carrying on as a professor at St. Francis Xavier and saw that salary scale, he would be discussing that night with his wife whether he should remain or whether he should seek those western fields where salary scales are much higher. I am sure the same thing would prevail in other places in Canada.

Mr. Macdonnell: That is only an objective.

Mr. Nowlan: My friend from Queens University is issuing a warning to his faculty members that it is only an objective.

One thing I would say seriously in connection with this matter is this. I regret again, as I have expressed regret previously, that this system cannot be so administered as to take care of some of the inequalities which exist and which will continue to exist between universities because of the mechanical basis on which the grant is made.

We welcome the grant. I agree with the hon. member for Inverness-Richmond that it is going a substantial distance or at least some distance in meeting the problems of the universities. But those problems are increasing so rapidly, as the Prime Minister himself intimated, that I doubt if this has gone far in solving problems that were in existence even 10 or 15 years ago.

In the east, in our own maritime provinces, we have the situation of the small college to which my friend referred. I certainly cannot forgo the opportunity of returning the compliment and saying that eastern Nova Scotia and in fact all Nova Scotia and the maritimes would be much poorer if it were not for the leadership given in the past and still being given by St. Francis Xavier in the eastern part of the province. Everyone in the east and I think everyone in Canada knows of the contribution that university has made to the educational and social problems of Canada.

I must not take more time, except to say again that I welcome the making of this grant; but because of the fact that we have a large number of universities, a relatively small population and a very large student population coming from all over Canada, the same disparity will exist. I think of my own university, for instance. I am not trying to quote the figures correctly but roughly $94, I think, was received last year in our case as compared with over $200 in other institutions.

I have expressed the hope and I am confident—that is why I am happy to see it—that this is another step along the road upon which we are just now starting. That is why I welcome this step. I am confident that sooner or later you are going to build into this machinery an equalization arrangement so there will be a minimum per student, at any rate, such as that used during the war in connection with the veterans, when I think it was $125 per student or something of the kind. If that were done it would be a big improvement. The cost to the treasury would be relatively small, and it would be of assistance to the smaller universities which do not receive provincial grants. There are no provincial universities in Nova Scotia. They are all privately financed. If an arrangement such as this were made it would go a long way toward rectifying the situation. Hence we welcome this grant. As I said, the students of history will look back at this as the year in which the government and the parliament of Canada embarked upon the new road in so far as education is concerned.

[Mr. Nowlan.]

Mr. Leboe: I have three questions. The first is this. Does the one dollar per capita represent a relative amount compared to the costs of operating universities at the time the 50 cent grant was made? The second question is this. Is there any other reason why the grants are not made on a per capita basis to the provinces instead of to the national council of Canadian universities? The third question is, will these grants from the national council of Canadian universities be free of all obligations as to standards, curriculum or the hiring of the teaching personnel?

One other suggestion I should like to make is this. I wonder if it would be possible in any way to direct some of this grant to a revolving fund which would assist underprivileged students to get to university. I think a student who is worth his salt would like to pay his own way and, if it were possible for him to do so after he had taken his university training, pay back that amount of money so it would leave the way open for some underprivileged person to follow in his wake and take the university training he so greatly desires.

Mr. Balcer: Mr. Chairman, like all other hon. members who have spoken on this subject, I am greatly alarmed by the difficult situation which the Canadian universities are in at the present time. Like all other hon. members in this house I have the greatest respect for my own alma mater, namely Laval University. I can easily picture all the problems that face this great institution at the present time, having regard to the increase in the cost of living, the increase in the cost of materials, and various other difficulties which the authorities of this great university must face at the present time. However, I am sorry to be the only voice so far which has been raised against this vote.

Mr. Knowles: Five o'clock.

The Deputy Chairman: Order. I am sorry to be obliged to interrupt the hon. gentleman, but it is five o'clock. Perhaps this would be a convenient time for me to interrupt him. It being five o'clock the house will proceed to consideration of public and private bills.

At five o'clock the Speaker resumed the chair.

INDUSTRIAL RELATIONS

AMENDMENT OF CHAPTER 152, REVISED STATUTES OF 1952—VOLUNTARY REVOCABLE CHECK-OFF OF UNION DUES

Mr. Stanley Knowles (Winnipeg North Centre) moved the second reading of Bill No. 4, to amend the Industrial Relations and Disputes Investigation Act.

He said: Mr. Speaker, I am sure it will be unnecessary for me to speak for more than a few minutes in moving the second reading of this bill, which has been before the house every year since 1948. In most sessions it has been debated, so the arguments for and against it have been presented a number of times. It is, of course, my hope that since all political parties in this country have gone on record as favouring the principle which underlies this bill, since three of the parties in this house, together with individual members on the government side, have voted for it a number of times, one of these times the bill will pass and its principle will be written into our federal statutes.

The purpose of the bill is to incorporate what is known as the voluntary revocable check-off into the Industrial Relations and Disputes Investigation Act. The voluntary revocable check-off is a provision that makes it possible for any union that has been certified according to law to request of the employer that deductions be made from the wages of the employees in the bargaining unit to apply toward their union dues. The provision is a standard one which includes the requirement that even after a certified union makes its request it shall apply only to those members of the union who personally sign such a request, with the understanding that any such member may at any time revoke that request if he wishes to do so. That is the reason for this provision being styled as the voluntary revocable check-off of trade union dues.

I would point out, Mr. Speaker, that a provision similar to this one is in the labour codes of a number of the provinces of this country and, as I have already indicated, the principle of union security, of which this is the barest minimum, has been supported at political conventions by all the major parties of this country.

The wording of my bill is taken from wording which was written into the Industrial Relations and Disputes Investigation Act when that bill was in the hands of the industrial relations committee back in 1948. I must make it clear that the provision was not in the bill when the government brought it in, but it was put in by the committee on the motion of the then member for Spadina who is now a member of the other place. However, despite the majority vote of the industrial relations committee of that parliament for this provision, it was struck out by a majority vote of the house when the bill came back to committee of the whole. Since that time quite a number of Liberal members on occasion have spoken and voted for this provision, along with members of the three parties on this side of the house. This is what leads me to hope that one of these days parliament as a whole will recognize that this tribute to the position of organized labour in our economy should be included in our labour laws.

Not only has there been all kinds of support for this principle to which I have already referred but I would point out that in 1953 the house, while refusing to give second reading to Bill No. 2 of that year, it being identical with Bill No. 4 which is now before us, nevertheless referred its subject matter to the committee on industrial relations. I have before me the second report of the committee on industrial relations which was presented to the house on Tuesday, April 28, 1953. It is not very long. I should like, therefore, to read it to the house:

> The standing committee on industrial relations begs leave to present the following as its second report.
>
> Your committee has considered the subject matter of Bill No. 2, "An act to amend the Industrial Relations and Disputes Investigation Act (voluntary revocable check-off)", and has agreed to report as follows:
>
> Your committee endorses the principle of Bill No. 2 and recommends that the principle of the said bill, together with the submissions included in the printed minutes of proceedings and evidence of the committee on the subject matter of this bill, be considered by the government in its review and proposed revision of the provisions of the Industrial Relations and Disputes Investigation Act, which the committee is informed is now under study.
>
> A copy of the minutes of proceedings and evidence of your committee is appended.
>
> All of which is respectfully submitted.

It is signed by the chairman of the committee of that session.

I would point out also, Mr. Speaker, that on May 5, 1953, the chairman of that committee moved in the House of Commons that the report of the committee be concurred in by the house. There was a short debate which is recorded on about a page or so of *Hansard*, at the end of which that motion for concurrence was adopted.

I mention the fact that there was a short debate just to make it clear that it was not one of those pro forma votes. The house, I suggest, knew what it was doing when it concurred in this report, and thus made it the view of the house as a whole that the principle of Bill No. 2 of that year was endorsed and its study recommended to the

government in its review and proposed revision of the provisions of the Industrial Relations and Disputes Investigation Act.

Well, Mr. Speaker, we learned later that study, of course, was given by the government, and no doubt it is still being given, to the subject matter of the bill, the principle underlying it, but that seems to be as far as the government has gone in relation to this pretty clear-cut recommendation which was made to it by the House of Commons in 1953, just before an election, of course, with respect to a report made to the house by a committee.

I mention that, Mr. Speaker, in support of my contention that this principle of having the check-off of trade union dues is something to which a great deal of thought and study have been given, something which has wide support and something which many of us feel should be put on the statute books as a recognition of the important and rightful place the trade union movement has in the economy of our country.

As I say, Mr. Speaker, the arguments for this proposal are on the pages of *Hansard* of the past eight or nine years and therefore it is not necessary for me to speak at any greater length. However, I have pleasure once again in presenting to the house this bill to provide for the voluntary revocable check-off of trade union dues.

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, I can assure the hon. member for Winnipeg North Centre that it is at least eight years since this legislation was proposed. I recall suffering some measure of embarrassment in the second session of 1949, when I was somewhat of a novice in the House of Commons and the hon. member introduced this measure which I supported wholeheartedly, to find out later that it was regarded as a want of confidence motion in the government.

Mr. Knowles: Oh, no.

Mr. Byrne: The government of the day had been elected, I believe, in June of that year with perhaps the largest majority that any government had ever had in the House of Commons. For that reason I found it impossible to vote for the measure at that time. As I said, it was the cause of a considerable measure of embarrassment for me, but when explained to reasonable thinking people they understood my position. I mention this simply to substantiate what the hon. member said regarding the length of time it has been before the house.

I would say this legislation would not have far-reaching consequences in this day and age, because most locals covered by union agreements already have the check-off or a greater measure of union security. If I recall correctly the figures given by the Minister of Labour on a previous occasion, approximately 85 or 90 per cent of those who come directly under the federal Industrial Relations and Disputes Investigation Act already have some measure of union security, either check-off, closed shop or union shop; therefore it would not have a far-reaching effect. However, the principle is one to which I personally subscribe and am certainly willing to support.

I believe it was back in 1946 that I took part in a labour lobby which appeared before the cabinet of the legislature of the province of British Columbia, and we put forth very strong arguments in favour of check-off being written into the labour act of that province. If my memory serves me correctly it was the following year that legislation was presented in the provincial legislature providing for the deduction of union dues. Many companies have strongly opposed this measure and I have never been able to understand the reasoning they pursue, when it is understood that almost every other conceivable project has been accepted. Many large groups of employees have made declarations to their employers, sometimes without having given notice, requesting that the company make deductions for specific purposes.

In reality the unions are entities and play an important role in our economy. More and more people are coming to realize that unions are an essential part of our economic life. Many large industries now appreciate the importance of the unions in providing bona fide agreements under which the settlement of disputes is simplified, and security and other matters are provided for in writing and followed to the letter. There is every evidence that unions are working in the best interests of everyone concerned.

Despite this increasing recognition of the value of unions, some large corporations still maintain that it is not a part of their social welfare responsibility to make deductions for union dues as they do with regard to other matters. This voluntary revocable check-off represents the very minimum form of union security. I can recall a company with which I negotiated almost going to the point of allowing the operation to be closed down over this very question of accepting the demand for voluntary revocable check-off. After having accepted the principle of the voluntary revocable check-off the company submitted the question to a board of arbitration, the findings of which were binding on both sides. I believe the chairman

of that board of arbitration was Chief Justice Sloan, and the decision of that board has now come to be known as the Sloan formula.

Under the Sloan formula everyone in the bargaining unit is required to pay union dues to the local by which they are represented, whether or not they are members of the organization, and the company is required to deduct union dues from the salary of each employee so designated. There is a slight difference between the Sloan formula and the Rand formula. In the Sloan formula the arbitrator gave the right to those employees who were not members of the union but who were paying union dues to vote on important union questions such as the election of officers. This represented a departure from general procedure, but it was accepted by the union, which felt that those employees who were not registered members of the local but who were paying dues should have some right to determine the course to be followed by the union. This is a form of union security which is certainly a step ahead of the voluntary revocable check-off, and there are many more demanding types of union security with which even many union officers do not agree, such as the closed shop and others.

It has been the argument of the government that the question of voluntary revocable check-off should remain a matter for negotiation. It should be remembered that the questions of wages, job evaluation and the determination of the amount to be paid for each job, are union responsibilities. Many unions have negotiated with employers what is known as job evaluation. Under job evaluation the job carries the rate and the man, woman or juvenile—that would be unusual—would receive that rate of pay. The rates of pay with respect to individuals have been a union-management measure of settlement.

Only last year we brought in legislation providing equal pay for women performing equal work. It could be said also that this should be a matter for discussion between union and management, having regard to what is done in the case of job evaluation. If the legislation concerning equal pay for women performing equal work was good legislation, was legislation that eliminated discrimination, I would point out that these are matters which have been attended to in large measure by way of negotiation. Where there still appears to be some discrimination on the part of employers in what we deem to be a refusal to accept authorization for the deduction of union dues, it would be quite appropriate that this should be covered by legislation of this kind.

I have not a great deal more to say. I have supported this legislation in the past, occasionally to my own embarrassment. Down through the years I have supported it, and I hope the Minister of Labour will see his way clear, if not at this session at least in the near future, to accept this principle of the voluntary revocable check-off.

Mr. C. E. Johnston (Bow River): Mr. Speaker, I do not intend to say very much on this bill on this occasion, because I have expressed my views quite fully several times. The hon. member for Winnipeg North Centre has had this resolution on the order paper for a number of years, and I think he deserves credit for his persistence.

One reason we have always supported this bill is the fact that the Alberta government has recognized this principle for some time. The same type of legislation applies to many industries and professions in our province. Another reason I think this bill should be accepted by the government and made part of the Industrial Relations and Disputes Investigation Act is that it constitutes a form of union security. The money belongs to the individual, and it seems to me that from the standpoint, I was going to say of human rights, he should have the right to dispose of his own income in the way he sees fit, particularly as this is on a voluntary basis. Any time he wishes to cancel his contract he can do so. That is as it should be, on a voluntary revocable basis.

Having said that, I do not think it is necessary for me to say any more, as this is the same bill which has been introduced on many occasions. I see no reason why we should take up the time of the house in going over the arguments that have been presented in past years. The hon. member for Winnipeg North Centre has expressed the same sentiments. He felt that as he had gone over this so thoroughly on many previous occasions he did not need to dwell at any great length on this measure at this time. Having said that, I trust that the minister will give some consideration to this bill.

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, I do not intend to speak at length, because my views are well known. May I say to the minister before he speaks that I cannot understand how the federal government can oppose this legislation. Every province in Canada has similar legislation, and there have been no revolutions nor has any province been damaged. We have had it in Nova Scotia since the early part of the century.

We should stop to consider how deeply the federal government are concerned with the check-off. That being so, I cannot see how

they can oppose this. I would remind the minister that just recently the Canadian Labour Congress presented a brief in which they asked for the granting of collective bargaining rights to civil servants. According to press reports the Prime Minister said the matter was under consideration. The different civil service associations now enjoy what this bill is asking for; they have a check-off for their dues. In effect these associations are the civil servants' unions.

I caution the minister as to the results if he opposes this bill and then grants collective bargaining rights to the civil service associations. He would then be taking away the right of check-off which they now enjoy. The federal government check off for many things. They check off for income tax, and I do not know how they would get it if they did not. They check off for contributions to the Red Cross and other charitable organizations, and for the purchase of Canada savings bonds.

As far as the rest of Canada is concerned, with the exception of our end of the country, the federal government really paved the way for those provinces which have adopted this type of legislation since 1940. The industrial relations committee recommended almost unanimously that this type of check-off be adopted; therefore I urge the minister to support this bill.

The bill would affect only those employed under federal jurisdiction. As I say, all provinces have this type of legislation, some legislation being stronger than others. The provisions of this bill would apply only to crown companies and organizations under the jurisdiction of the federal government. This legislation should have been passed long ago and I do ask the minister to remember that the civil service associations carry out very much the same functions as trade unions, and they now enjoy the check-off. The federal government is considering changing their status and granting them collective bargaining rights.

Unless this bill is passed, unless government employees are to benefit from this type of legislation, which is a form of union security, the civil servants may lose the privilege they now enjoy, not only of having their association dues collected by this method but also contributions toward their large recreational association.

Mr. A. H. Hollingworth (York Centre): Mr. Speaker, I should like to say a few words in connection with the bill introduced by the hon. member for Winnipeg North Centre. I have voted in favour of this bill in the past, and I would like to say a few words in its support. Briefly, of course, labour relations come under provincial jurisdiction for the most part, excluding those matters which are the concern of the Industrial Relations and Disputes Investigation Act, and they are largely confined to such groups as railway employees, employees of shipping, radio, television and air transport concerns, and those who work for the federal public works department.

Mr. Knowles: And in banks.

Mr. Hollingworth: According to a return tabled on February 8, 1955, there were 392,500 employees under federal jurisdiction, exclusive of civil servants, 277,800 of whom were covered by collective agreements. Of this number 223,400 were covered by the check-off. Therefore only 54,000 employees, or 20 per cent, are not covered by the check-off. It may be that the number is even less today; certainly there are relatively few employees who are concerned and, as the hon. member for Cape Breton South has just mentioned, civil servants are now covered by a form of check-off. Surely, therefore, it is important as a matter of principle that the voluntary revocable check-off be extended to the remaining federal government employees.

Of course the meaning of the bill in itself is that there is no compulsion here at all. The person concerned has his fees deducted, and at any time he may ask that the union should not receive his fees. In other words this is a voluntary principle, and I think that answers the argument which certain hon. members may put forward, that they do not like the compulsory feature. I do not think there is a compulsory feature in this bill. I may say, Mr. Speaker, that I for one do not see why an employee who does not join a union should receive the protection of the union without paying his fair share. In other words I personally am opposed to the so-called "free-loader".

The other question concerns so-called collective bargaining. Some people would say this should be a matter of collective bargaining, and leave it at that. I wonder how they can say this, after they have thought about it for a minute, because when I am talking about federal employees I am usually talking about employees who are working for crown corporations, for the most part, or for industries which are controlled by the federal government. In other words we are dealing, in a sense, with an emanation of the crown, and surely public policy as well as private policy should be considered. I submit that is another reason why the government should support this bill in principle.

Finally, I may say that this measure has been approved by six provinces, British

Columbia, Saskatchewan, Alberta, Prince Edward Island, Nova Scotia, and New Brunswick. Of course we are all aware that during wartime there was an order in council—P.C. 1003, I believe—which controlled labour relations and which worked out very satisfactorily. After the war I recall that the national labour code incorporated this principle of the voluntary revocable check-off, until it was deleted by parliament.

I think the time has now come when this clause should be reincorporated into legislation. I think this should be done as a matter of principle, and as a recognition of the role which trade unions play in this country. I, for one, would be very happy to support the bill which has been introduced.

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, like the sponsor of this Bill No. 4 and those who have spoken in its support this afternoon, I do not propose to take too much of the time of the house, nor do I propose to cover the ground which has been so thoroughly covered over the past several years in the course of arguments both for and against this measure. I must repeat, however, what I have said in more recent years, and that is that the importance of this matter is gradually dwindling in the public mind, not only on the part of the employers but also on the part of the workers, as far as I am able to determine.

I know that my hon. friend who sponsored this bill will have in his office or in his desk three very carefully prepared brochures containing the briefs of the three great labour organizations, the Canadian Labour Congress, the Canadian and Catholic Confederation of Labour, and the legislative committee of the brotherhoods of the railways. If he has read those briefs this year very carefully, as I am sure he has, he will have found that in none of them has reference been made to the voluntary revocable check-off or to check-off of any kind.

Mr. Speaker, in saying that I must be perfectly fair and state, too, that one of the gentlemen presenting his congress' brief last week interjected these words into the midst of the reading. He said—and it would not be stating the case fairly if I did not refer to this interjection:

> I would like to say a word here about check-off of dues. This is a very important question which was overlooked in preparing the document which is now in front of you. My face is certainly a little red at the moment, and I do not mean communistically.

Mr. Speaker, I do not mean in any sense to try to lessen the importance of this measure in the minds of hon. members of this house. It is an important matter even though its importance now in the federal field is certainly not equal to the importance it had even as late as 1953. My hon. friend from Cape Breton South has said that the civil service associations would lose the rights they now possess to have membership dues deducted at the source if such a measure as this were not passed. That would not happen at all. Whatever rights these associations have with regard to the deduction of their dues were arrived at by discussion and negotiation on the part of their authorized representatives at the time they made the arrangements with regard to them, and as they go on to enter new discussions or new negotiations, whatever you may call them, they will be quite free, as crown companies have been free, to utilize the check-off in some form or other as a factor in the negotiations.

Now, Mr. Speaker, I would like to put on record the results of a survey of the numbers employed under federal jurisdiction who are affected by the check-off or who might be affected by this measure introduced by the hon. member for Winnipeg North Centre; and since this is a fairly long schedule I would like to suggest, if I have the unanimous consent of the house, that I place it on *Hansard* and have the situation brought up to date.

Mr. Deputy Speaker: Has the hon. member leave to place this on record in *Hansard*?

Some hon. Members: Agreed.

Mr. Gregg: Then I will do so. The table is as follows:

ESTIMATED NUMBER OF EMPLOYEES UNDER FEDERAL JURISDICTION

Numbers under collective agreement; numbers under agreement providing check-off; numbers under agreement providing for voluntary revocable check-off:

	I	II	III	IV
	Total employees under federal jurisdiction *(a)*	Total employees under agreement	Total employees under agreement providing for check-off	Total employees under agreement providing for voluntary revocable check-off *(f)*
Transportation—				
Railroads (including express and excluding commercial telegraph operations)	185,600	173,400	138,600	1,000
Shipping (including stevedoring)	38,900	32,000*(b)*	10,900	3,600
Air	13,200	7,700	6,800	100
Motor and all other	10,700	10,000	9,400	1,200
Communications—				
Telephone *(d)*	40,900	35,300	34,900	34,900
Telegraph and cable	10,900	6,300	6,200	—
Broadcasting	10,500	3,900	3,900	—
Terminal elevators	5,300	4,600	4,200	300
Mining	5,200	4,200	3,400	1,600
Manufacturing	8,400	5,500	5,400	1,700
Construction *(c)*	3,000	3,000	3,000	200
Service (C.N.R. hotels)	2,300	2,300	2,300	nil
Other government enterprises *(e)*	13,700	1,300	1,300	nil
Banks	47,100	nil	nil	nil
Totals	395,700	289,500	230,300	44,600

(a) Estimated.
(b) Insofar as some longshore workers move from summer to winter ports, they may be counted twice as employees under agreement.
(c) Number under agreement; total figure for employment would be somewhere higher.
(d) Quebec, Ontario and British Columbia only.
(e) Includes Canadian Arsenals Ltd.
(f) Figures in column IV are also included in figures shown in column III.

In order that this may have some meaning, may I point out that it will be seen that a total of approximately 395,700 persons are employed in industries which come under federal jurisdiction. This total, of course, includes crown companies. It does not include classified civil servants. This figure should be reduced by a total of approximately 100,800 employees who do not come within the scope of the Industrial Relations and Disputes Investigation Act and comprise managers, supervisory employees or others who are employed in banks or in some government enterprises where employees are not yet organized and are not covered by collective agreements.

[Mr. Gregg.]

Of the remaining 294,900 employees who are employed in industries where there is an established pattern of organized bargaining, the table shows that 289,500 are covered by collective agreements. Of this total, 230,300 are covered by agreements which have some form of check-off. In other words approximately 80 per cent of the employees who are covered by collective agreements have the check-off in some form or other. It is also revealing to know that of the 230,300 employees who have some form of check-off, only 44,600 are subject to the voluntary revocable check-off.

That brings the record up to date, and it is a little different from what it was a year

ago. The remaining 81 per cent were covered by check-offs of one kind or another—the Rand formula has been mentioned—which the employees concerned apparently felt were of more value to them than the voluntary revocable check-off.

I have been accused of bringing forward the argument from year to year that this is a matter that should be dealt with by collective bargaining, and I feel that is true. We have had a great deal of discussion in the last few weeks about what should happen with respect to collective bargaining in the federal field. I believe that in that field the policy of the government should be more and more to promote that kind of climate which will encourage responsible and healthy industrial relations.

We have some small element of compulsion in our Industrial Relations and Disputes Investigation Act. We say that certain conciliation procedures shall take place. We say that every collective agreement for a term of less than one year or for an indeterminate term will be looked upon as being for a term of one year. Those are points which have compulsory features, but they are quite different from what is contained in the bill. They help to make up that framework in which collective bargaining can be well and effectively carried out, and the moment parliament begins to legislate even in a small way in favour of one side of the bargaining table and does not provide something of an equivalent nature for the other side, then I contend we are taking unto ourselves some of those matters that are important in reaching a sound and useful agreement between the two parties concerned.

While the Minister of Labour and the government are in favour of union security, and are in favour of the principle contained here when it is reached by collective bargaining, for the reasons I have given I will vote against the bill today as I did last year. Many of the crown companies referred to now have some kind of check-off, but they have achieved it with the tacit agreement of the government. They have achieved it through collective bargaining and so should those very few others who desire it and who come under federal jurisdiction.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, as on previous occasions when this subject matter has been before the house at the instigation of the hon. member for Winnipeg North Centre, I have listened with a good deal of interest to some of the remarks that have been made, and in particular to remarks made from that side of the house which supports the government. Certainly I was pleased to hear my fellow British Columbia member from Kootenay East speak, as he has done on previous occasions, in favour of the bill.

In my opinion the minister has not presented any more convincing a case today than he has on previous occasions for maintaining the position that he takes. I suggest to him that if in the labour briefs submitted to the government no great emphasis was placed upon the matter, it may be that the labour congresses are beginning to give up hope that they will ever persuade the government to make a move in this direction, and are relying upon the persistent efforts of the hon. member for Winnipeg North Centre to keep the matter alive as far as parliament is concerned.

I know the sort of recognition given to the new Canadian Labour Congress in this building by the members of the cabinet, and I also recall that the Speaker saw fit to entertain in honour of the new president of that congress. However, I suggest that as far as the thousands of members of trade unions across the country are concerned, a much more tangible and realistic recognition of the trade union movement on the part of parliament would be the adoption of the bill now before the house.

Actually I would have much preferred to hear the Minister of Finance speak today on the bill, much as I enjoy listening to the Minister of Labour, because I suggest that the Minister of Finance is perhaps the outstanding authority in the country on the subject of a check-off which, unfortunately, some people may consider as not revocable. Possibly he could give us an interesting exposition as to why he is prepared to support an irrevocable check-off with respect to some of the money he collects, yet is not prepared to support the much milder form of check-off proposed by the bill.

I felt I should like to say a few words in support of the bill introduced by my colleague, and at the same time express my appreciation of the fact that I have heard some voices on the other side of the house also giving support to the principle of the bill.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker—

Mr. Deputy Speaker: Order. If the hon. member for Winnipeg North Centre speaks now he will conclude the debate.

Mr. Knowles: Mr. Speaker, in view of the hour I shall make my remarks very brief, so that if a vote has to be called on the bill it will not take us too long into the supper hour. I welcome the support of those who

have spoken in favour of the bill, including my colleagues of my own party, as well as the hon. member for Bow River, the hon. member for Kootenay East and the hon. member for York Centre. I had hoped that some member representing the Progressive Conservative party would speak on the bill. They have spoken on previous occasions, and I trust if a vote is called it will still be their policy to vote for the bill.

The Minister of Labour sought to answer some of the arguments for this bill. In the main I felt that he was answering the arguments from his own side of the house. Indeed, the hon. member for Kootenay East answered in advance, very effectively I thought, the argument that this was a matter that should be left to collective bargaining.

The minister also suggested that the number of employees who would be affected by a measure of this kind is not great, in view of the prevalence of some form of the check-off. I am sure he recognized that the answer to that argument is that a right such as that needs to be protected by legislation. It is also true that if it has been established by collective bargaining as a right enjoyed by the large percentage of those who come under federal labour jurisdiction, surely it should be extended to all those who come under such federal labour jurisdiction.

The minister enjoyed a bit the fact that I could not pick up one of the briefs presented to the cabinet recently by the various labour bodies and read from it a current appeal for the check-off. I would simply say to him that apparently those bodies were more concerned at this particular moment about some other matters which I hope the government across the way is considering, such as health insurance, an increase in the old age pension, and matters of that kind. May I remind him that the Canadian Labour Congress at its founding convention in Toronto last April adopted a 29-point program setting out all the things it feels should be attended to by the federal government. One of the points in that 29-point program was the establishment of the check-off.

Mr. Gregg: I admit that at once.

Mr. Knowles: Since it is evident that the minister and I are agreed, perhaps this is a good point at which to call a halt to my remarks. May I express the hope that the vote to be taken on this bill will be in proportion to the way in which the speeches have been made. There have been six for the proposal and one against. I trust the house will give approval to second reading of this bill.

[Mr. Knowles.]

The house divided on the motion (Mr. Knowles) which was negatived on the following division:

YEAS

Messrs:

Aitken, Miss
Applewhaite
Argue
Balcer
Barnett
Bell
Blackmore
Blair
Bryson
Byrne
Cameron (Nanaimo)
Campbell
Cardiff
Castleden
Charlton
Dinsdale
Dufresne
Ellis
Fairclough, Mrs.
Fairey
Fraser (Peterborough)
Fulton
Gagnon
Gillis
Girard
Goode
Green
Hansell
Hardie
Herridge
Hodgson
Hollingworth
Holowach
Howe (Wellington-Huron)
Johnson (Kindersley)
Johnston (Bow River)
Knight
Knowles
MacLean
McCullough (Moose Mountain)
Mitchell (London)
Monteith
Murphy (Westmorland)
Nesbitt
Nicholson
Pallett
Patterson
Pearkes
Philpott
Poulin
Quelch
Rea
Regier
Shaw
Simmons
Smith (Battle River-Camrose)
Starr
Stewart (Winnipeg North)
Tustin
Van Horne
White (Hastings-Frontenac)
White (Middlesex East)
Winch
Wylie
Yuill
Zaplitny—66.

NAYS

Messrs:

Anderson
Balcom
Beaudry
Bennett
Blanchette
Boisvert
Boivin
Bonnier
Bourque
Breton
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Cannon
Cardin
Caron
Carrick
Carter
Cauchon
Dechene
Demers
Denis
Deslieres
Enfield
Fontaine
Gardiner
Garson
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hamilton (York West)
Hanna
Harkness
Harris
Harrison
Hosking
Howe (Port Arthur)
Huffman
James
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Lapointe
Lavigne
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Lesage
Lusby
Macdonnell
MacEachen
MacNaught

McCann
McCulloch (Pictou)
McIlraith
McIvor
McWilliam
Mang
Marler
Masse
Matheson
Menard
Meunier
Michaud
Monette
Pinard
Pommer
Power (Quebec South)
Power (St. John's West)
Prudham
Purdy
Ratelle
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Bruce)
Robinson (Simcoe East)
Rouleau
St. Laurent (Temiscouata)
Schneider
Stick
Stuart (Charlotte)
Tucker
Viau
Villeneuve
Vincent
Weaver
Weir
Weselak
White (Waterloo South)
Winters—105.

Mr. St. Laurent (Quebec East): Mr. Speaker, I was paired with the hon. Leader of the Opposition (Mr. Diefenbaker). Had I voted, I would have voted against the motion.

Mr. Knowles: How would he have voted?

SUPPLY

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

DEPARTMENT OF FINANCE

University grants—

541. To authorize payments to the national conference of Canadian universities (hereinafter called "the conference") for the purpose of making grants to institutions of higher learning in accordance with an agreement entered into or to be entered into, with the approval of the governor in council, between the Minister of Finance and the conference, such agreement to include, inter alia, provision that the total amount of grants to all the institutions of higher learning in any one province be calculated by multiplying the population of the province by $1, and that any amount payable to an institution of higher learning and not paid by the conference in the present fiscal year may be retained by the conference until such time as the institution to which the money is payable claims the payment from the conference or parliament provides otherwise for the disposal thereof; the amount appropriated under vote 132 of the Appropriation Act No. 6, 1956 to be applied to the purposes of this vote; additional amount required, $7,986,000.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

(*Translation*):

Mr. Balcer: Mr. Chairman, before recess I was stating my opposition to this item although, like other members of the house, I recognize the difficulties faced by Canadian universities. Quebec universities face such difficulties as do those of other provinces, and provincial governments have to make great efforts to help them. For its part, the Quebec government is making a tremendous effort in that field in authorizing an expenditure of nearly 82 million dollars over a period of 12 years; to help universities. However, I realize like the other members that even this effort is not sufficient to solve all the problems which beset our universities.

I do not think that we can solve the problem by creating other problems, and the measure now being considered is a clumsy measure, one which leans towards centralization.

The government can certainly not claim this to be a very great find, since this formula is unacceptable not only to the Quebec provincial government but also to the universities of that province. It seems to me that surely the government could have found a more readily acceptable solution to the problem. I think that the difficulty is that the people of my province, at any rate, are simply convinced that this proposal is but another step, on the part of the federal government towards centralization, a centralization which has intensified since the war.

True, this afternoon, the Prime Minister (Mr. St. Laurent) did point out other spheres of activity upon which the federal government had encroached without eliciting any protests from the provinces. However, in most cases, the provinces could not do otherwise. Education, though, is another matter since this is a field which is basically provincial. As the Minister of Justice (Mr. Garson) said yesterday, if education had not been reserved to the provinces, the British North America Act would never have been ratified and confederation would never have come about. Our constitution would not have been accepted if education had not been protected by those very clear sections of that pact.

Besides, only the provinces are in a position to face the technical problems of education, having departments of education whose officials have the experience required to deal with matters of such complexity. We, in Quebec, who constitute the French minority of this country, feel that the sections of the constitution dealing with education are the most vital ones, and that, in this respect, we cannot yield any ground.

If the federal government is now offering those grants to universities, it is simply because, with the amount of income tax it is collecting, it has accumulated huge surpluses and the federal government alone can afford to be generous in fields of activity from which, according to the constitution, it is barred.

I am not surprised that some people are asking, as was done yesterday in this house, for grants to assist elementary education, because, among all governments, the federal government is the only one with such money surpluses, and is the only one which could afford the luxury of invading fields of activity from which it has been excluded by the constitution.

The federal government has such surpluses simply because it taxes too heavily. I therefore would suggest that the best way for the present government to assist in the field of education at every level, and particularly to assist universities which need it so badly, is to give up a part of its taxation fields. This year, its surplus might run close to 700 million—

Mr. Marler: How much?

Mr. Balcer: —unless it finds ways to hand money around, so it will not have to blush about all that accumulated money derived from its reckless taxation over the last four years.

I know that my colleagues from other provinces who are not as scrupulous or as touchy as I am, because they do not belong to a minority, are ready to welcome that federal assistance to universities, because they are thinking only of the problems of those institutions. This is also the case of other provincial governments and universities in other provinces which are also prepared to accept federal grants and even urge that they be made larger.

Consequently, I do not want to insist that the universities of other provinces be penalized, but I do not believe that Quebec itself should be penalized because it attaches greater importance to the constitution than do the other provinces. Therefore, I ask the federal government to add an income tax deductibility clause proportionate to the amount which the Quebec institutions would have received if they all had accepted the offer of the federal government. The deductibility has already been considered in the past for other reasons, and I believe it might be possible in this way to help universities without encroaching upon the constitution.

In this way the concern shown by the government and Quebec institutions for the letter of the constitution would be respected, and all the universities of this country would be treated on an equal basis.

Without the addition of such a section, and in its present form, I believe that the item now under consideration is unacceptable. Consequently, I will have to vote against this item.

[Mr. Balcer.]

(*Text*):

Mr. Gillis: Mr. Chairman, first I would like to join those who have complimented the Prime Minister upon the realistic speech on this subject he made this afternoon. I should like also to mention the fact that during this session, particularly the last couple of weeks, the question of education has received a lot of attention from all quarters. This indicates that the problem is becoming a pertinent one in all provinces.

While we welcome the increase in the grants to the provinces, as far as I am concerned, coming from Nova Scotia, I want to indicate that this does not eliminate the fact that we are below the other provinces in the grant per student. I shall say more about this later, but I would just like to mention the fact, that in Nova Scotia we elected a new government recently, and the premier of that province is also the minister of education. They have not, so far, held a session of the legislature, but I have read a statement he made to the press that so far as that province was concerned their policy with respect to education was retrenchment; in other words, they could not continue to pour the money into education that is, perhaps, needed, because they do not have it.

Second, he said, grants to the municipalities were to be curtailed. This indicates that as far as education is concerned that province is in great difficulties. I am not quarrelling with the statement made by the premier of Nova Scotia, but I would point out that in the speech from the throne in the province of Ontario, where the government is of the same complexion, much additional expenditure on education is forecast, together with increased expenditure on such ancillaries to education as assistance to the municipalities, the building of schools and so forth. So the matter is not a political one; it is an economic question.

In every second newspaper one picks up there seems to be a statement by some eminent person on the present requirements of education and its future needs. Only this afternoon I was reading in the Ottawa *Journal* the report of a speech by Mr. Crump, of the C.P.R., in which he pointed out the growing need for teachers and staff in the universities. He stressed that the salaries of university teachers should be increased by 100 per cent in order to make the vocation more attractive to entrants, and to hold those for whom industry may be fishing. Of course these statements go on to forecast what the student population will be

10 years from now, and to emphasize the need for funds in order to expand facilities for accommodating these students. The fact of the matter is that according to the forecast the number will be doubled, and it all adds up to the need for more money.

Now, Mr. Chairman, with provincial incomes as they are today, there is no possibility, with the system of straight grants, of getting equality in education as between province and province. The federal government will, in my judgment have to take a greater interest and provide more funds in future if we are to meet the requirements of the universities. When I say that, I realize the difficulties with which the federal government has to contend. The British North America Act makes education the exclusive jurisdiction of the provinces, and any changes with respect to entering this field, financially or otherwise, have to be made by agreement with the province or by changes in the act itself. I think it is time the provincial governments, if they are all Canadian and if they want equality of opportunity as between province and province, will have to begin to realize that they are living in 1957, not in 1867, and changed conditions will have to be brought about.

I have argued from time to time in this house that rather than the grant being made to a university on the basis of the number of students in that university, the fact that it is related to the population works a hardship on some of the provinces which are not so wealthy, and I have suggested from time to time that grants should be made on the basis of the student population. In other words the number of students in the university should be the guide as to the amount of the grant.

Since this matter was last discussed in the house some of our people have been doing some "homework". Getting the figures, province by province, with respect to the student population as related to the general population in the particular province, or the number of students from other provinces who are in the universities of a neighbouring province, was not easy. The figures go back pretty far; they go back to 1951 and 1952, and the best examples we could find were put on record by the Minister of Finance on August 14, 1956. They are in *Hansard* at page 7591. The minister sets out there the grant per student from province to province, and I am just going to recite these figures for the purpose of my argument.

In Newfoundland the grant per student was $357.64; in Prince Edward Island, $207.69; in New Brunswick, $112.36; Ontario, $137.84; Manitoba, $101.55; Saskatchewan, $151.97; Alberta, $149.80; British Columbia, $99.42; Nova Scotia, $80.85.

These figures, the latest we could get, show definitely that Nova Scotia is away below all the other provinces. The reason for that is, of course, that the student population of the universities in relation to the population of that province is so much higher than in the other provinces. That situation arises because the province of Nova Scotia has facilities for the study of such subjects as medicine and dentistry, which do not exist in the other maritime provinces. Thus a large number of students from Newfoundland, New Brunswick and Prince Edward Island who require this type of training are obliged to go to Nova Scotia in order to enter these particular fields, with the result that in the matter of grants Nova Scotia is being penalized because it was farsighted enough to establish the facilities which were required in that part of the country for instruction in these professions.

I have argued from time to time that the grants should be made by reference to the size of the student body and without reference to the population figure; but after looking over this matter with some of our experts I find that this suggestion, if applied literally as I have presented it in the past, would result in hardship to other provinces. The other three maritime provinces, Prince Edward Island, New Brunswick and Newfoundland, would lose considerably by an arrangement of that kind. That would also be true of Alberta, Manitoba and Saskatchewan. They would lose; and as far as I am concerned and, I think, as far as the people of Nova Scotia are concerned, we are not prepared to do injury to any other province in order to better our own position.

We have come to the conclusion—and when I say "we" I mean the members of this group who have been studying the question—that it is not good enough just to argue against something; there should be some alternative proposal, and I think the fairest solution we could arrive at would be one which recognized the fact that Nova Scotia is in her present position because she provided facilities which are being made use of by students from neighbouring provinces, where the opportunity for such studies does not at present exist.

Instead of a formula whereby the grant is made on the basis of the student population, we felt it would be fairer to suggest to the government that in the circumstances in which that province finds itself or, for that matter, if any other province finds itself in a similar position in the not too

distant future, the government should consider, in addition to the grants now provided under the present formula which results in Nova Scotia definitely being placed at a great disadvantage, the possibility of establishing under the Canada Council additional grants to universities providing the type of education that has resulted in Nova Scotia finding herself in the position in which she is today. Such additional grants should be provided to schools which are turning out specialists where such schools are not available in other provinces.

I leave that thought with the Prime Minister because I do not believe he, the government or anyone else who has given any thought to the matter would want to continue to keep that province in its present position of, on the one hand, providing the facilities and accepting students from all over the country and, on the other hand, being so low down in the scale so far as grants to the universities are concerned. I think the matter calls for some additional thinking and some special arrangement on the part of the government to assist schools that are providing such special training. There should be an additional grant to enable them to expand in the future without the handicap from which they are now suffering.

Of course, education is going to cost a great deal of money. If the forecasts the experts are making today are correct, then the amount of money that will be needed for capital expansion of the universities, which are expected to have double the present student population in 10 or 15 years time, will mean that someone else is going to have to help to share the burden.

I have heard it stated on many occasions in the house that the U.S.S.R. is far ahead of Canada and the United States with respect to education. I have said before and I repeat that we must remember that in that country there are no companies, corporations or anyone else making any money. The profits that go to private industry in this country go to the state in Russia, and the state uses them for whatever purpose it wishes. They are pouring a lot of money into education, and if we are going to meet that challenge I think industries making fair profits in Canada will have to begin to think in terms of endowment funds for universities in order to enable us to meet the educational needs of the future.

Recently I noticed that some of the big companies are making pretty substantial contributions to some of our universities. I hope they will continue to do so, because with our population, the need of education as indicated by everyone who speaks on the subject, and the huge sums of money required, we cannot keep on dumping the cost on the taxpayers all the time because many taxpayers can ill afford the taxes they are paying today. But I do think that corporations making profits running into the hundreds of millions might very well consider it a good insurance policy for the future to assist in meeting the huge outlays that are going to be necessary in the field of education in the future. In my opinion they should look upon it as one of the best forms of insurance available to them to guarantee that the system under which they now operate and the freedom they enjoy will continue to be moulded to a considerable extent by the architects of the future, the citizens of this continent. That does not only apply to universities but also to primary education.

I hope the Prime Minister and particularly the Minister of Finance will give some consideration to the proposal that there should be an additional grant payable to universities in some provinces which are providing certain types of education that are not available in other provinces.

Mr. Argue: Mr. Chairman, along with other members of this group who have already expressed their opinions may I say I listened with a great deal of interest to the words of the Prime Minister this afternoon when speaking on this subject. From what he said I believe we can come to the conclusion that he has quite a good grasp of the need to deal with the crisis in university education.

He emphasized, and I think all of us could bear this in mind, that one of the first requirements to improve the status of university education is to see that the professors and other teachers in these institutions of higher learning receive adequate salaries. Until people throughout the nation generally recognize that our university teachers are performing services on a par with the most valuable service performed by other Canadians, and recognize that fact by way of adequate salary schedules, we will continue to debate the subject of a crisis in our institutions of higher learning.

From what little study I have made of the problem it seems that we have been slipping over the years. In the 1920's it is probable that in relation to the needs of the country at that time we were farther ahead than we are today. I have noticed figures indicating that in 1926 grants from governments generally to universities were 130 per cent greater than the cost to the university students. By 1950 grants from governments to universities were only 10 per cent in

excess of the cost to the students. Following a contribution by the people of Canada through an item of some $7 million in the estimates the gap was partially closed, and it is estimated that with the item under discussion we shall be approximately back to the 1926 position in this regard.

It seems to me that if we are to meet the need of our universities brought about by the natural increase in enrolment resulting from our growing population and the need for greater numbers of university graduates, we as a nation are going to have to raise our sights. The *Financial Post* gave a good deal of attention to this subject in its issue of August 25, 1956. In an article in that issue Mr. Burke Stannard points out the large sums of money that will be needed in the future to take care of education in our country. He points out that while today we are spending approximately $800 million per year on education at all levels, this amount will require to be increased to $15 billion spread over the next ten years; and that if university enrolment increases to 300,000 the amount of $15,120 million will need to be increased to $17,500 million. Therefore any additional expenditure passed by the house at this time is a small sum in relation to this very large undertaking.

I have in my hand a statement giving amounts to be spent by various levels of government on education in this country—these are estimates—for the fiscal year 1955-56. They were prepared by the federal government some time ago for discussions with the provinces. These figures show that the federal government in that year would spend approximately $25 million in grants to education of all types; that the provincial governments of this nation would spend just under $300 million and that the municipalities, the local levels of government, would spend approximately $457 million, making total expenditures in this nation for that period of time of some $782 million.

If one breaks down those figures on a percentage basis, then to each education dollar the federal government is now contributing at the rate of 3 cents; the provinces combined are contributing 38 cents, and the municipalities and school districts, the local levels of government, are providing 58 cents. Even if as a result of this and other action the expenditure of $25 million by the federal government should be increased to $40 million, then the federal percentage would be up to only 5 per cent. If, as we hope, along with increased expenditures by the federal government, there will be increased expenditures by provincial governments and undoubtedly by governments at the municipal level, then the federal percentage may drop back again to near the current rate of just 3 per cent.

I think Mr. James S. Duncan, former president and general manager of the Massey-Harris-Ferguson corporation, has performed a useful service for the people of Canada in the study he has given to the educational system of our country and the educational systems and their results in other nations in the world. I think Canada's record is something of which no member of this house is proud, because not a member of this house can be proud of the comparison, having regard to the emphasis we are placing on education in this country compared to what is being done in the United States or in the U.S.S.R.

This evening we are discussing the passing of this further supplementary estimate. The *Financial Post* of the same date points out that for each 1,000 of population in Canada there are just 4.94 students enrolled in universities. In the United States the figure is 15. In the U.S.S.R. the figure is 19.6. Mr. Duncan and others have pointed out how necessary it will be to the future technological development of this country that we close soon at least a substantial part of this gap. It has already been pointed out that in 1954 in Russia there were graduated some 53,000 engineers. In the United States in the same year there were graduated just 23,000 engineers. In Canada the figure is running at approximately 2,000 engineers per year.

Some may say that our engineers have a broader education. That is probably true. Some may think they are even better qualified in a very specialized field. But here again it is pointed out that the graduate engineer in the Soviet union has spent 50 per cent more study hours than has an engineer in the United States, and I presume the same statement would apply to Canada. Of the engineers graduated in the United States, experience has shown that some 35 per cent are lost to engineering because they go into some other profession. Hence even these figures do not show the true preponderance in the engineers that are available to industry in the Soviet union as compared with the number available to industry in the United States.

I notice some amazing figures of the number of medical doctors being graduated. According to these figures, in 1955 the Soviet union graduated 27,000 medical doctors as compared to 7,000 in the United States. We graduate approximately 900 per year. Surely the medical field is deserving of greater effort by the people of Canada. I am afraid that

when the Soviet union has this great preponderance in graduate engineers, medical men and scientists, they may make available such a large number to assist underdeveloped countries that, by comparison, in this field also we may be far behind.

Mr. Duncan says that the U.S.S.R. in 1955 graduated 120,000 scientists and engineers, against the figure of 70,000 in the United States. Of course Russia is attempting to build her nation as the technological capital of the world, as the area of the world with the greatest number of scientists and skilled professional people. Because she is graduating such a large number of scientists and is so determined to out-bid the western world, one finds that Russia is now undertaking very substantial loans to underdeveloped countries. Mr. Philander P. Claxton, Jr., special assistant to the assistant secretary for congressional relations, points out that $1·3 billion is being made available by the Soviet union by way of low-interest loans to assist 11 underdeveloped countries.

I am sure Canadians generally feel that we in this nation must come to grips with the question of the crisis in higher education; and that if this government takes the lead, as it now appears to be doing, the day will and must come when this great difference between what we are accomplishing and what is being accomplished in other nations is overcome. I look forward to the day when every young Canadian who has the ability to take advantage of a university education will have that opportunity irrespective of the amount of money that his parents, relatives or friends may be able to advance to him toward that end. I believe that we in this nation must work toward the time when Canadians have this opportunity. If they have the opportunity—irrespective of their individual ability to pay at the moment—of obtaining a university education, I am sure we will lead in this field.

(*Translation*):

Mr. Ratelle: Mr. Chairman, I should not like to see this item carry before I have had an opportunity to say a few words about it.

While listening very carefully to the hon. member for Three Rivers (Mr. Balcer), I was under the impression that, besides representing here a federal constituency the hon. member was also a spokesman for the provincial government. It is something which I do not like. I am not in the habit of discussing provincial matters and I never did so outside of this house. However, tonight, speaking for the first time in this house, I wish to say that, in my opinion, we must express our views on the matter submitted to us by the right hon. Prime Minister (Mr. St. Laurent)

who is as free to introduce it as we are free to accept or reject it. As far and as long as there is no encroachment upon any section of the British North America Act, I will not hesitate to approve the item now submitted to the house by the right hon. Prime Minister and the members of his cabinet.

If the British North America Act were threatened, the Prime Minister would not have considered the matter now before the house and I can say quite clearly, that no government could induce me to vote in favor of such a measure. I am a good Canadian; I live in the province of Quebec and I mean to be a Canadian citizen in the full sense of that word since I have the honour to sit in the parliament of a country made up of ten provinces. It is only right that we should be interested in our own province but we must also, as a matter of principle, show some interest for anything which may happen in other provinces.

I noticed that, in his remarks, the hon. member for Three Rivers has said that the house was being presented with a clumsy measure.

An hon. Member: He is the one who is clumsy.

Mr. Ratelle: But, Mr. Chairman, I must say that I do not share his opinion. The hon. member has adopted an attitude which I am at a loss to understand.

I have had more than one opportunity to discuss this matter with a certain number of people and never have I met anybody, outside of political life, who has not recognized that this proposal was the best solution that the Prime Minister could adopt in order to make peace between the province of Quebec and the other provinces and ensure the respect of the privileges of all the provinces.

Since the hon. member is now at his desk, Mr. Chairman, I want to say to him that he could have talked about the grants which the provincial government does accept. He could have told us if the construction of vocational schools by the Liberal government in the province of Quebec, 50 per cent of the cost of these schools having been met by the federal government, has meant any lessening of the rights of the provinces in educational matters?

Since that time Mr. Duplessis has come into power and a number of similar schools have been built with federal and provincial funds. Has this step meant that a single boy or girl or even a single teacher has changed his or her way of thinking, has become anglicized or anything of the sort? I have never heard it said, and I do not believe that anything like that has ever happened.

It is an admitted fact that we have several provinces, whose approach to various matters can differ, but it is high time that we should be able to discuss national interest with frankness without being told we are encroaching upon the authority of the provincial governments, whether it be that of Ontario or that of Quebec. We sit here as representatives of the country as a whole; we represent ten provinces and not one.

We must protect the interests of the ten provinces while safeguarding the rights granted the citizens of Quebec by the British North America Act. I am sure that no one would want to violate the British North America Act because, if this should happen, it would mean war and I would be the first one to shed my blood in the defence of my fellow citizens.

If there has been no change since the building of the vocational schools was started, and if the Prime Minister gives me the assurance that the grants will be distributed to the universities by an independent council of the federal government, I wonder why some would make petty politics out of it while pretending to defend interests which do not exist.

As I say, I am a Canadian and I challenge anyone to say that I have not always done my duty in whatever field it be. I have read the bill several times, as many times as did the hon. member. I am not a lawyer but I have more confidence in a man whose competence is certainly as great as that of the hon. member for Three Rivers, and I refer to the Prime Minister. Both belong to the legal profession, and if the Prime Minister had thought for a moment that the measure would be harmful to the province of Quebec, I am sure that he would not have submitted it.

Mr. Chairman, I do not want to speak too long on this matter but, as the hon. member for Three Rivers is back in his seat, I want to tell him that we are good friends but also that we are here to speak our minds. I like to believe that he is sincere as I am myself. For twelve years I sat on the council of my municipality and not one of my fellow councillors can say that I even once mixed provincial politics with municipal administration, whether under the Duplessis or the Godbout administration. Not only that, but I asserted the rights of my municipality, under the Godbout administration, which was Liberal, and I even asserted them under the Duplessis regime, as I was a member of the council until 1950.

In proposing this measure, the government shows a remarkable broadness of outlook. Yet, there is still opposition to it.

A while ago the hon. member for Three Rivers spoke of taxes. I am going to do so myself, and it is time to settle all these little problems.

When Mr. Duplessis came to power in Quebec, the provincial budget at that time was of the order of 72 million dollars, if I remember well, whereas today it amounts to more than 400 million dollars. Where did he find this revenue in the province of Quebec? And this year, if I am well informed, the Quebec provincial government will collect 24 million dollars in income tax, plus 48 million dollars in equalization grants, or, in other words, 72 million dollars. We in the province of Quebec pay more income tax than in any other province and, with the sole exception of two provinces, we pay more sales tax than is paid anywhere else. And we are still asked whether we want one government especially for Ottawa and another for the province of Quebec! Well, if that is the case, let us come right out and say it, let us not beat around the bush. We might be able to understand one another better, and get along better too.

We cannot give everything to the province of Quebec, no more than to any other province, since we have to meet national defence expenditures, extremely heavy ones too. The premier of Quebec should be quite happy over this item which is used to preserve peace in the world since, in this way, his own security is assured as well as that of everybody else.

If we had that money, we could do much more. Unfortunately we cannot go any further for the time being. Besides, our citizens are willingly assuming their responsibilities as they are enjoying a freedom which the other countries do not know now and may never have known. We want a stronger country, a happier country, so that we may feel happy here in Canada.

Why not do away with petty politics and work in the interest both of the whole of Canada and of the province of Quebec!

That is what I have to say to the hon. member for Three Rivers; I hope that I have not hurt his feelings. I simply wanted to make things clear, once and for all.

(*Text*):

Mr. Hosking: Mr. Chairman, I am glad the supplementary estimate of the Prime Minister regarding aid to universities is now before the committee, so I may say a few words on behalf of the universities. We are living in a remarkable era in Canadian development; it does not require any great knowledge of history to recognize this fact, and we are prepared to admit it without argument. The evidence is somewhat more striking in some parts of the country than

in others, but there is scarcely a community in which people are not conscious of it. It is not only that the great cities are becoming monstrous in size and the smaller cities are astonishing themselves with their growth, but the quiet countrysides are being uprooted. In remote areas from Labrador to Aklavik which have lain undisturbed century after century the age-old remains of the glaciers are being rudely pushed aside by bulldozers.

Let me remind the committee of that period from 1900 to 1913 which came under the direction of Sir Wilfrid Laurier, the prime minister who said, and believed, that the twentieth century belongs to Canada. During this period the rate of growth was even greater than it has been in the last decade. The relative increase in population was greater, and the number of immigrants reached very much higher figures. We then received from abroad relatively much higher these facts to the attention of the committee imports of capital than we do now. I recall because we have a tendency to forget our history. However, we have to admit that under the Prime Minister and his leadership the whole Canadian nation is on the move.

There is one thing we need to remember if we are to see our own time in proper perspective. Because our school histories tell us that the settlement of Canada began at Port Royal in 1603 or at Quebec in 1608 we can appreciate that the experiment in colonizing this northern half of the continent has been going on for about 350 years. It began at least as early as the settlement of the United States, and one might argue that it began a year or two earlier. We tend to forget in our present excitement just how long we and former generations of Canadians have been engaged in the business of developing Canada. We are prone to forget what long periods of waiting and discouragement there have been in our history. We are inclined to ignore questions as to why development in the United States has been much more rapid.

Generally speaking, the experience of history yields the very clear conclusion that the kind of resources we have in Canada, rendered less accessible by climate and dispersed population, made it necessary to wait until the western world had developed an industrial civilization with the need for our resources and with the technical means of uncovering and exploiting them. This was what was in the mind of Sir Wilfrid Laurier when he said that the twentieth century belonged to Canada. He obviously did not mean that other countries had not a share in it. Having the whole history of this country in his blood and anticipating the long periods of waiting, he meant that the seventeenth, eighteenth and nineteenth centuries had passed Canada by in a certain measure, but that she would enter the full stream of world development in the twentieth century.

Until about 40 years ago, save for the closed chapter of the fur trade, Canadian development had been largely the application of industry to limited resources similar to those of the United States. Our farming areas in the east were similar to those in the eastern part of the United States. Our prairies were just the last of the North American prairies. Forestry was no different in Maine, Michigan and Washington from what it was in New Brunswick, Ontario and British Columbia. Our mining was an extension of United States mining. When we became engaged in the automobile industry Windsor and Oshawa were just much smaller versions of Detroit and Flint.

Today our current economic developments are much more distinctive. Despite large investments of United States capital many of our developments have a recognizably Canadian colour. At least some of the resources now being developed are distinctively Canadian. There is also apparent in this country a buoyant spirit of confidence and initiative and a sense of pride in what is Canadian. This notable period of national development has been stimulated by a coincidence of favourable influences. Our ship has moved out of the shallows; wind, tide and current speed us on our way.

One thing which has happened is that with the great spread and expansion of industry throughout the world and particularly in the United States the industrial intake of materials and particularly of metals and energy has increased enormously. It seems almost impossible to fill the machines which we have created with the amount and variety of materials they demand. With industrialization has come, also, a phenomenal increase in urbanization, in city and suburban living. On this continent this seems in part to be based on the greater economy of purchasing services, for example frozen foods and automatic dishwashers, as opposed

to hiring services in the form of domestic and other help. Cost has forced us to get our services from the factory.

As industry multiplies and cities spread, new methods have become available for the discovery and exploitation of natural resources. The aeroplane has replaced the canoe in transporting the prospector. A whole series of instruments ranging from magnetometers to geiger counters can discover beneath heavy overburden the likely places for drilling. Modern earth-moving equipment has made possible exploitation with a speed which would have been incredible even 25 years ago. Changing methods of manufacture and use have given special importance to light metals, chemicals and synthetics, and the use of power, other than from coal, just at the time when we were tapping our oil resources and were capable of developing the last and remote sources of waterpower.

In the changes that are taking place capital and industrial knowledge from the United States are playing an important part, but though United States capital has been of decisive significance in many industries, it has in the over-all picture supplied not more than about 15 per cent of the total investment. Along with these revolutionary changes there has come, of course, growth in all sorts of other industries and areas for which these changes have created larger markets and more profitable opportunities for investment.

One of the most notable features of this period of our growth has been its persistence. Beginning as a period of active reconstruction, it proceeded through the Korean war boom, ran through two mild recessions, and in the past few months has shown remarkable vigour and expansive power. Ultimately the Conservatives and the C.C.F.'ers, the type of people who refer to the right hon. Minister of Trade and Commerce as an optimist and who continually predict that the boom will come to an end, assuredly will be right; but so far the fulfilment of their predictions has been postponed year by year.

Mr. McCullough (Moose Mountain): Mr. Chairman, I rise on a point of order. I should like to ask the hon. member from what document he is reading.

Mr. Argue: The one he wrote for use at the Rotary club meeting next week.

Mr. Hosking: I am just using some extensive notes, as the hon. member who interrupted me has done on previous occasions.

The Deputy Chairman: As the hon. member has been interrupted, I think perhaps I should point out to him that we are discussing one specific item in the supplementary estimates. I have no desire to stop the hon. member laying such foundation as he thinks necessary to lay in order to discuss the item, but we are discussing solely a vote of some $7 million to be made under certain circumstances to universities. I think I should ask the hon. member to come to the point of the resolution with reasonable speed.

Mr. Hosking: I am just laying the foundation as to why it is necessary to assist the universities. It has now become a sort of national occupation to attempt to predict what the national product of this country will be in 10 or 20 years' time, or to stake one's reputation upon the prediction that the population will be 22 million or 25 million by 1975.

With these industrial changes has come a great increase in population, helped by moderate immigration but arising mainly from a high birth rate. We have to cope at present with a population which has in it an unusually large number of children and a growing proportion of older, retired people. The number of dependents per income earner is at present abnormally large. In a few years, however, this will begin to change, as a larger number of the children born since 1945 or a little earlier enter the working force.

One of the interesting things that is happening is that because of resources and power and with the help of more effective transportation, a number of great industries are being established much further to the north than hitherto. Areas unfit for agriculture and producing little in the way of forest wealth have become the base for large industries. One of the constricting factors in our history hitherto has been the irregular, thin band of population never more than a few hundred miles from the United States border. It seems possible that we are now developing much more in depth, and much more in those parts of the country which are peculiarly and exclusively Canadian. There is here an interesting basis for conjecture for all who are concerned about the gradual development of distinctive Canadian characteristics in our culture and way of life.

All this is a pleasant, rather exhilarating success story, in which there have been relatively few disappointments and surprisingly few delays. True, the growth has brought with it difficult and wearisome problems of enlarging our living space and extending the whole apparatus of transportation and community living. Whether these problems involve gas pipe lines, a new and mammoth highway system or the provision of sewers and waters for swollen urban populations, the federal, provincial and municipal governments are wearily grappling with problems of

growth, and are concerned with many others with which they have not yet come to grips.

We are stimulated by the experience of our material progress, and we are engrossed with the problems of resources, transportation and the capital investment which confront us. I am not one who deprecates either the importance of material progress or the sense of achievement which goes with the conversion of the forces of nature to man's purposes. The sense of achievement in mastering and using resources is something that goes deep into the consciousness of the people who have confronted this problem for the past 300 years.

We are spending enormous sums in the development of our material resources, and already we are beginning to ask ourselves searching questions as to whether we are giving enough attention to the conservation of our sources of pulp and metals, oil and gas and water. We are asking ourselves whether in the physical development of our country we are becoming more Canadian, and whether we are making it more worth-while to be a Canadian.

As soon as we look beyond the stock market and beyond the pressing daily problems that confront us, we all know that these material resources and the great industries and cities which are being built up will in themselves neither create a distinctive Canada nor make it a truly great nation. We may acquire something which imitates other countries, or might have been made from a department store pattern. There are, however, resources which are more important than oil, metals, spruce and water. They call for the boldest investment; they require the shrewdest selection; they need the most thrifty and long-sighted conservation. It is the human resources of a nation which give it distinction and guarantee its future.

Thus I am pleased that the Prime Minister has introduced a bill which will assist the universities in developing the people of this country so they can use the great natural resources which we have in such large quantities. It is the people who will put to work the things God has given to this country, who will help Canada take its place as a first-class power in the world.

Mr. Green: Will the Prime Minister bring us up to date concerning the situation with regard to engineers and scientists? We all realize that this vote provides for payments without any conditions direct to universities, but we hear most alarming reports from time to time about the great shortage of scientists and engineers. For example, there was a report published last week by the Engineering Institute of Canada with reference to the alarming current and prospective shortage of Canadian engineers and scientists. This paragraph appeared in the press report:

> More words have been spoken and printed about this situation than about almost anything else. Many voices have proclaimed the urgency, but after years of talk no one has done anything of consequence that will improve the situation quickly.

And again:

> There is some promise now that government and industry will help, but the needs appear to be away beyond any sums that are being mentioned as available shortly.

We all know how important scientists and engineers are to Canada at present and in the years immediately ahead. Can the Prime Minister tell us what is the opinion of the government with regard to all this talk of an acute shortage, and if there is such a shortage whether any steps are being taken to meet it?

Mr. St. Laurent (Quebec East): I cannot give any precise figures to the hon. gentleman. At the present time there are indications of intentions to provide structures of various kinds to a total amount that would be beyond the capabilities of the available scientific or engineering or skilled or unskilled manpower, and greater than the materials available. There is a certainty that not everything can be accomplished that Canadians and Canadian corporations would like to do or have expressed intentions of trying to do during 1957.

Mr. Green: Because of the shortage of trained men?

Mr. St. Laurent (Quebec East): Because the total is greater than the population of this country, with its savings and even the savings that come from abroad, with its manpower and its materials, can realize in the one year. During last year I understand the amount of capital investment was of the order of about $7.75 billion. Estimates that have been gathered for what I believe are called intentions for the present year would indicate an increase of as much as 12½ per cent over what was realized in 1956. Of course that would not necessarily be 12½ per cent in actual volume because there is an expectation that prices over the year in the construction trades—the capital investment trades—are apt to be as much as 5 per cent higher than in 1956. That would still leave an actual physical increase of 7½ per cent over what was realized in 1956, and my information from the data available to our experts, and their best estimates, is that this is more than the economy can produce.

Now, with respect to the so-called shortage of engineers, I know there is a greater demand for engineers than there was when

either the hon. gentleman or I were at university. Just as one illustration of what I have in mind let me mention this. The hon. gentleman knows the reputation of the Taschereau family in the province of Quebec; it was always producing either clergymen or lawyers or judges. That family has supplied Canada with a number of very distinguished clergymen. The first cardinal was a Taschereau. They have supplied a number of very distinguished judges, and a still larger number of brilliant members of the bar in the province of Quebec. A Taschereau was my partner when I was at the bar. He has only one son, and the son, instead of following in his father's footsteps as has been done for generations by male members of that family, is studying to be an engineer.

This is because there is now a realization among the young people that there is a greater demand for engineers, and consequently there are more young people adopting that vocation than formerly. I feel, therefore, that there will be a greater number of engineers in the future. There will be a greater demand upon the universities to train engineers, and I know that right here in Ottawa there has been a very substantially filled subscription list in response to an invitation to Quebec and Ontario industrialists to contribute to the establishment of an engineering faculty at the University of Ottawa. They are doing this because they feel their businesses will require that kind of equipment. It is just as essential to their businesses to have trained staff as it is to have the machines which they instal in their plants. It is, I think, a very encouraging sign that our industrialists should be realizing, as I said a moment ago, that the greatest of our natural resources are our human resources, and that these human resources have to be developed and cultivated if we want to make full use of the other material resources with which our land is blessed.

I do not wish to expand upon that subject, but I do wish to answer, or try to answer, four questions which were submitted by the hon. member for Cariboo. As for the first question, I am not in a position to answer it with accurate statistical information. The hon. member inquired whether $1 per capita would represent, now, the same proportion of university expenditure as 50 cents per capita represented in 1951. I think it would, perhaps, represent rather more than the same proportion, because I do not think there has been an increase of 100 per cent since 1951 in university expenditures.

The second question was, why are these grants not just turned over to the provincial governments? Well, the equalization grants will be turned over to the provincial governments, but the provincial governments have a great many calls upon their finances, and these grants are recommended to parliament so they may go to the universities and to no other quarter; and we think that by placing them in the hands of the national conference of Canadian universities they will go to those universities. There may be other very desirable purposes to which these amounts could be applied if they were just handed over for general application by the provincial governments, but I think it is the desire of most members of this house that these grants should go specifically to the universities.

The third question was, will the grants be free of restriction with regard to curricula, salaries and so forth? The federal government does not wish to establish any kind of control over the freedom of the universities. The amounts are to be turned over to the national council and, in turn, by the national council to the particular institutions which are recognized by the provincial governments as being of university level, and I am confident that the authorities in those university institutions will make good use of the money available.

I think it would be an attempt to exercise some jurisdiction over educational affairs to tell the council that it might, as our agent, say to them what the curricula of their studies should be. That is something which is within provincial jurisdiction and which should remain within provincial jurisdiction.

Another question was, would it be possible for this aid to constitute a sort of revolving fund which beneficiaries would return to the university in order that it might be used to help other promising students to whom it might be of use. Well, the amounts are not very considerable with respect to each individual university, but if a university chose to use the whole of what it received, or a certain portion of that amount, for the purpose of making advances to promising students on the understanding that the amount would be returned, that would be something which would be quite within the discretion of the university concerned to decide. All we are asking parliament to do is to say that the government of Canada should contribute to the work of the universities an annual sum of the order, at the present time, of about $16 million a year, or $1 per head of the Canadian population, and distribute it in proportion to the population of each province, as between the provinces, and in proportion to the student enrolment within each province.

In that respect, the hon. member for Cape Breton South—he is not here at the moment

—recited figures that were put on record in *Hansard* last August. But I am informed that those figures do not tell the whole story. I am not making any assertion as to what are the facts, but the very fact that there is some controversy as to whether this is or is not the fairest way to distribute the amount that we are asking parliament to appropriate for the Canadian universities is a reason I had in the back of my mind when making the suggestion that this fund should be turned over to the national conference of Canadian universities.

Of course they will not have any discretion under the contract to depart from the formula that will be set down, but they will have the right—and I feel quite certain they will exercise that right—to make recommendations as to what should be the terms of subsequent votes of this amount, and their suggestions to the government will be brought to the attention of the House of Commons with such recommendations about them as we may feel would be in the best interests of university activities throughout the country.

I am not making any assertion as to what are the facts but I have been told that, although it is true that in Nova Scotia there are quite a number of students enrolled who come from other provinces, the universities they attend are paid quite substantial additional fees because these students come from other provinces. I have been told, with respect to those who come from Newfoundland, that additional fees are provided by the government of Newfoundland or by the institutions in Newfoundland that participate in this grant. They are not able themselves to supply all the forms of university training their people require and there is a transfer of funds by them to the universities of Nova Scotia which perform the job for them.

These institutions, especially in the maritime provinces, are private enterprise institutions, and can fix and adjust their fees according to the localities from which their students come. That is one reason why there may apparently be less paid per capita of student enrolment than there is paid in Newfoundland, for example, where student enrolments in their institutions are much fewer per 100,000 of population than in the case of Nova Scotia. I am told that another reason for the difference is that in Nova Scotia a student who continues beyond the 11th grade is treated as of university level, while in Ontario only students who continue beyond the 13th grade are treated as of university level. That would affect the number of student enrolments.

[Mr. St. Laurent (Quebec East).]

These are matters about which I know very little, but they are matters which the members of the national conference of Canadian universities can inquire into very pertinently. I discussed with several members of the conference whether it would be appropriate at this time to try to devise some other formula that would not leave discrepancies that look so large, and I was told that many of them believed that this was the fairest formula but that these were matters that could be discussed by their conference.

The people who form this conference are all dedicated men and women. They are devoting their lives to a job they think is in the interests of their fellow citizens, and they can make observations. If as a result of their observations there is another formula that will serve better the desire of the house that the best possible use be made of the money appropriated by parliament to aid universities, their recommendations will be brought to the attention of the house. Every year there will have to be a vote in terms that will in substance be similar to the terms used in the item in the present supplementary estimate. If on their report it appears desirable that there be some change in the formula incorporated in the expressions used for that vote, those changes can be made.

I am sure that all those connected with the matter are sincerely and genuinely concerned that the amounts voted by parliament be used in the best possible way for the necessary aid to the continuance and, I hope, the progressive development of our university institutions. I do not think there is anything else I need to add. I noted the remarks of the hon. member for Three Rivers. He is one of those who fear that from this there would flow some intervention that would lessen in some degree the practical effect of the jurisdiction of the provincial legislature over universities. I am sorry I cannot convince him that he is wrong, but I must tell him that he cannot convince me that I am wrong, and I am submitting the item to the judgment of the house.

Mr. Hansell: Mr. Chairman, it is very reassuring, I am sure, to hear the Prime Minister say there will be no interference with provincial autonomy in the matter of education. I suppose we will have to take his word for it, but I am still at a loss to know what difference there is between this principle as enunciated by the Prime Minister tonight and in a previous speech, and that enunciated by the Minister of Justice yesterday. I have here today's Ottawa *Citizen*. We know what the Minister of Justice said yesterday, but here in glaring headlines it says: "Federal Grants Would Cost Provinces Their Autonomy

in Education—Garson." Here is the smiling gentleman's picture and under it the words, "Hon. Stuart Garson—Autonomy Would End."

I know the Minister of Justice was speaking in a different debate. I know the subject may have been technically different, but in principle I cannot see how there can be any difference. The resolution under debate yesterday called for assistance to the provinces by way of federal grants, and the principle involved in the present debate is also grants to the provinces. The only difference is in the mechanics by which the money travels, but the principle is the same. I wish the Prime Minister could give us an explanation of that. It would be more reassuring if he could explain what difference there is in the principle; or perhaps the Minister of Justice would care to take the ball and handle it for a while.

Mr. Hamilton (York West): I should like to ask the Prime Minister a question.

Mr. St. Laurent (Quebec East): I do not think the hon. gentleman needs any reassurance that the application of the money involved in this item is not going to interfere with provincial jurisdiction over the universities.

Mr. Knowles: Will the Prime Minister permit a supplementary question? Will he not agree that just as it is not in his mind at all that this item would interfere with provincial jurisdiction over education, so it is not in the mind of the hon. member for Saskatoon that his proposal would in any way interfere with provincial jurisdiction over education?

Mr. St. Laurent (Quebec East): When the other question arises it can be dealt with. I do not think the situation is the same. In the one case the matter of education is handled by I do not know how many thousand boards throughout the country. In the case of universities it is handled by the national conference of Canadian universities, made up of a small body of really dedicated men and women who have no taxing powers, who have only the right to expend what they can get without exercising any taxing powers.

I think the other proposition would mean either adding to the equalization funds that are handed over to the provinces to do whatever they like with, or the setting up of some machinery to look after the proper administration of I do not know how many thousands of elementary and high schools throughout the nation. That would certainly be a form of centralization that would make a considerable change in the way the system has been and is being handled.

Mr. Macdonnell: I should like to ask the Prime Minister a question. What the Prime Minister has been saying in the last few minutes has given me a somewhat different view of the national conference of Canadian universities, which we discussed this afternoon. I thought they entered into this situation purely as a mechanical agency conveying money as the agent of the government to the universities on a basis to be outlined by agreement, and that there would be an agreement to that effect entered into. This evening it has seemed to me that the Prime Minister was outlining for them a function that goes considerably beyond that.

Mr. St. Laurent (Quebec East): An advisory function.

Mr. Macdonnell: I understand the Prime Minister to say that they might see fit, as time went on, to make suggestions as to the method of distribution or as to certain courses—I do not mean courses in the sense of courses in study—certain of the functions of the universities. In answering the suggestion that the government might come forward and deal with secondary schools, the Prime Minister pointed out that there were thousands of boards dealing with secondary schools, and that that would be a matter of great complication.

I come back to this point, and it is my question. It is true that the university conference does not deal with thousands; it deals, I suppose, only with several score of universities. Nevertheless I should like to be clearer than I am at the moment as to just how far the government envisages this conference will undertake to recommend to the government different methods of distributing money; in other words how far it will go beyond the purely mechanical role which it is now being asked to undertake.

Mr. St. Laurent (Quebec East): No more after this item is passed than they have been able to do in the past. They have frequently made recommendations to me as to what might be helpful in the prosecution of university work. Realizing that we are all interested in the successful prosecution of university work, I think they will not hesitate to tender such advice as may appear to them to be well founded. I sought advice from several of them as to the possibility of removing this complaint that has been made for the last six years by Nova Scotia authorities, about the fact that their per capita per student grant was smaller than that of the other provinces.

My first answer was this. If you have a larger proportion of students who are getting university training, is that not evidence that

in the other provinces where the proportion is smaller the need is even greater as in Nova Scotia? But then gradually I received other assertions—ones that I did not feel I was competent to verify—that the whole story did not appear in this apparent discrepancy between the per student grant in each province.

As I mentioned before, in Ontario it is only after the 13th grade that one is treated under provincial jurisdiction as being a student of university level, whilst in Nova Scotia I was told that under the provincial legislation the one who went beyond the 11th grade is counted—if he is doing the work that is appropriate to the 12th grade—as a student of university level. That would affect the total number; and the total number being affected, it would affect the per capita grant that would result from dividing the whole of the provincial grant by the total number of students regarded in that province as being of university level.

Then I was told that in addition special payments were made to the Nova Scotia universities for students who were taking special courses but who were not residents of that province. I was not surprised at that, because they are private institutions supported in part at least by the contributions of the people of their own localities. Here I understand that in the elementary and secondary schools there is a difference in the fees that are charged to the children of ratepayers of Ottawa and those charged to children of ratepayers of adjoining municipalities who are admitted to courses in Ottawa. When I was told by several of the members of this conference that they thought this was the fairest scheme I said to them, "You will have an opportunity of discussing the matter again, and if you can agree that there is a fairer scheme, do not hesitate to tell us about it; and if we are impressed, we will tell parliament about it and parliament may take some action upon it. In the meantime we are going to recommend that the apportionment be the same as that of the previous grants that have been distributed up to the present time".

Mr. Macdonnell: I have one further question. As I understand it, the grant is to be made subject to the terms of an agreement to be entered into between the government and the conference of universities. Will that agreement, either now or at some other time, be before this house? The Prime Minister nods.

Mr. St. Laurent (Quebec East): Yes.

Mr. Macdonnell: When?

[Mr. St. Laurent (Quebec East).]

Mr. St. Laurent (Quebec East): I stated earlier—perhaps the hon. gentleman may not have been listening at that moment—that the draft which has been prepared and which is to be discussed with the national conference of Canadian universities embodies the same terms as were in the regulations that were made by the Minister of Finance under the previous votes. I stated that as soon as that agreement was completed it would be tabled in parliament so parliament could see that it was in exactly the same terms or, if there were any slight variations, could see what those variations were. The draft that has been prepared by our officials is an exact reproduction of the terms that were in the regulations.

Mr. Hamilton (York West): After making two false starts, Mr. Chairman, I have almost forgotten my question. It seems that great reluctance to interfere with provincial rights has kept down the amount here. I am hoping that this may be considered to be an experimental year and that, as it works out, there may be a greater chance for additional assistance along these lines. But I am wondering whether the Prime Minister would tell us whether, in his discussions with the provincial premiers and at dominion-provincial conferences, there was any exploration of any other method that might have been used whereby some type of undertaking might have been given by provincial authorities that if sums of money were handed to them in a division of the tax base, we could have been assured that it would have gone to educational institutions. I should like to know whether any items of that kind were on the agenda at the conferences that have been held.

Mr. St. Laurent (Quebec East): No, Mr. Chairman. To the best of my recollection the questions were never raised at any of the provincial conferences in public. They have been raised in private discussions between me and the premier of Quebec, as well as in correspondence, most of which I think has already been tabled in this house.

The position is, "Well, here you are occupying too large a place in the field. Let us have the whole of direct taxes and you will not have to do anything for any of these things to which you have been contributing in the past".

Item agreed to.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

National health branch—

Health services—

542. Immigration medical services—further amount required, $225,000.

Mr. Blair: I have a question on this item. Will the Minister of Finance explain why this additional amount of money is required, and for what services?

Mr. Harris: Yes, Mr. Chairman. The additional money is required because I found it possible to convince my colleague the Minister of National Health and Welfare a year ago that he would not need as much money as it now turns out he does need for the purpose of carrying out medical examination of immigrants in the normal course of the business of that department.

Mr. Blair: Have the services been enlarged, and is additional accommodation needed?

Mr. Harris: Yes, there has been a slight enlargement in the United Kingdom and, of course, some temporary enlargement in connection with the Hungarian refugee problem, where we need additional doctors—not so much additional doctors as paying additional fees to doctors for examination of those people in Europe.

Mr. Hodgson: Can the minister tell me whether the immigrants are being medically examined before they leave?

Mr. Harris: Yes, Mr. Chairman; those persons who are in Europe and are not coming forward immediately are being examined there, of course, as they normally are. Most of the immigrants are examined medically there. The exemption applies only to those who it was announced we would bring forward without medical examination for the purpose of easing the burden on Austria and who have, in fact, come forward. Where any refugee is proposing to come to Canada and there is time to examine him, of course the examination is made there.

Mr. Hodgson: Are those who were examined in Europe examined again after they arrive in Canada?

Mr. Harris: Well, all the cost of examining in Canada is part of this Canadian service rather than of the service abroad. We examine them, of course, along with the provincial governments if there is an understanding between the governments.

Mr. Quelch: For how many months after the arrival of the immigrant does the federal government assume responsibility for medical attention, where they land and where they eventually settle?

Mr. Harris: I think my colleague the Minister of Citizenship and Immigration made a rather lengthy explanation of that the other day. We have an agreement, as I recall it, with Saskatchewan, that we would look after the medical expenses for one year afterwards, and I believe that offer was made to all the provinces and perhaps accepted by most. I am not sure.

Item agreed to.

DEPARTMENT OF TRANSPORT

A—Department—

Railway and steamship services—

543. Construction or acquisition of auto-ferry vessels and equipment—further amount required for the auto-ferry vessel for service between Wood Islands, Prince Edward Island and Caribou, Nova Scotia, $600,000.

Mr. MacLean: Mr. Chairman, I have a few brief remarks on this item. I presume it means that the construction of this ferry is being expedited in every possible way. There are a couple of changes and circumstances that have taken place since the regular item was passed at the last session that I would like to point out to the minister. The first is that the traffic on this service has continued to increase.

Mr. Harris: This has nothing to do with the service; it is an expenditure for the building of the ferry.

Mr. MacLean: The service has to do with the building of the accommodation.

Mr. Harris: This ferry is being built to accommodate the ferry service, yes. You can ask a question only on the building of the boat, not on the service.

Mr. MacLean: My point is this. If not at the present time, then very shortly even this ferry will prove inadequate because of the very sharp increase in passenger service offering on this route. At the present time the ferries operating are very inadequate.

Mr. Harris: Does the hon. member want to stop the expenditure on this one so we shall build it over again?

Mr. MacLean: No, I do not.

Mr. Harris: Then let us get on with spending the money on this one.

Mr. MacLean: My point is this. I presume this supplementary estimate is to expedite the building of this ferry as rapidly as possible. I presume it is going forward at a more rapid rate than was expected when the main estimate was passed last year.

Mr. Harris: That is correct.

Mr. MacLean: When is it expected that this new ferry will be brought into service? What will be the increase in capacity when this new ferry is brought into service?

Mr. Harris: At the present time the best estimate that can be given of when the new

ferry will be brought into service is about the middle of the summer.

Mr. Hamilton (York West): Is this amount for some unforeseen costs in construction?

Mr. Harris: No, Mr. Chairman. The hon. member for Queens was aware the construction of the vessel has proceeded at a faster rate than we had anticipated. The money is due for the progress payments.

Item agreed to.

DEPARTMENT OF VETERANS AFFAIRS

Treatment services—

544. Hospital construction, improvements, equipment and acquisition of land—further amount required, $435,000.

Mr. Green: Can we have an explanation of this item?

Mr. Harris: This item is much the same, Mr. Chairman. This is an expenditure on Deer Lodge for construction purposes, brought about by the progress of the work, which has advanced faster than we expected; and this will be progress payments on the contract.

Mr. Green: There is one point I should like to place before the minister in the hope that he will take it up with the Prime Minister. This is the first item we have had today on veterans affairs, and we find that we are still in the position that the Minister of Veterans Affairs is also the Postmaster General.

Mr. Harris: And doing a good job.

Mr. Green: I raised the point last year.

The Chairman: Order.

Mr. Green: And the Prime Minister had this to say on August 9.

The Chairman: Order. May I remind the hon. member that we are discussing a specific item in the supplementary estimates having to do with hospital construction. I really feel the remarks he is attempting to make are somewhat far from that point.

Mr. Green: Mr. Chairman, I submit to you—

Mr. Harris: On a point of order—

Mr. Green: I have the floor—

Mr. Harris: I am rising on a point of order.

The Chairman: Order.

Mr. Harris: I am going to raise a point of order at once on the pursuit of this—

Mr. Green: I had the floor.

The Chairman: As I understand it, the Minister of Finance is rising on a point of order.

[Mr. Harris.]

Mr. Green: That is what I was doing, too.

The Chairman: The hon. member for Vancouver-Quadra on a point of order.

Mr. Green: I submit that when an estimate having to do with a department comes up for consideration in this committee a member is in order in raising something, as I have done, having to do with the minister of that department. After all, he is the man who will be responsible for the expenditure of this sum of money, and I think I am perfectly in order in pointing out that this minister, no matter how capable he may be—and I am not questioning his ability for a minute—should not have these two departments.

The Chairman: Order. I am quite sure the hon. member will realize he has now finished his point of order and is attempting to go back to the remarks he was making when I rose. I think I can deal with that without hearing anything further.

This is an item in the supplementary estimates dealing with hospital construction, improvements, equipment and acquisition of land, and I feel that remarks with regard to the, let us say, dual capacity of the minister would be entirely out of order on this item and I would be prepared so to rule.

Mr. Hodgson: Mr. Chairman, I think what is sauce for the goose is sauce for the gander. A few moments ago the hon. member for Wellington South spoke on everything beside the item under discussion and was not called to order.

Mr. Hamilton (York West): Mr. Chairman, does this item refer to one particular job, or does it cover several buildings in the course of construction? Can the minister tell us what are the hospitals that are involved in this total amount?

Mr. Harris: I did. I said it referred to Deer Lodge, which is the only one.

Item agreed to.

DEPARTMENT OF EXTERNAL AFFAIRS

Loans, investments and advances—

545. Loan to the United Nations Organization to help finance the clearing of the Suez canal, $1,000,000.

Mr. Pearkes: Will the minister explain this item?

Mr. Harris: Yes, Mr. Chairman. I will make a brief explanation and give a more detailed one later if it is desirable. Briefly the United Nations, as the committee knows, is now clearing the Suez canal of the obstructions which were placed there during the late fall. That work is estimated to cost somewhere between $30 and $40 million. That is a very

preliminary and tentative estimate, of course As I have said, the work is being done under the direction of the United Nations and the UN has no money for this particular work. Consequently the secretary general of the United Nations asked that he have put in hand the sum of $10 million as soon as possible by those nations which would find it possible to advance that sum in order to pay the cost of the job from day to day and from week to week.

After considering the matter it was decided to recommend to the committee and to the house that we should advance $1 million on a temporary loan basis to the secretary general of the United Nations to help finance the job that has to be done before the canal can be put in use again. I stress that this is a temporary advance by this country to put the secretary general in funds for the purpose of paying the cost of the job from week to week as it proceeds. This is not a contribution for that purpose. It is merely that we are acting, if you will, as temporary bankers to this extent. The United States has contributed $5 million of the $10 million that was asked for; other European countries are contributing various sums of money and, as I say, we decided we ought to make this advance.

I used the word "contribute" and I excuse myself, Mr. Chairman, by saying I did not mean that; I meant an advance. All the questions having to do with the cost of clearing the canal or any other questions in connection with this are left in abeyance so far as this item is concerned, in the sense that by making this advance we are not committed to make any further payments nor is this an assessment of any contribution we should make to the United Nations toward the final cost of the job of clearing the canal, the total cost of which, as I said a moment ago, has been tentatively fixed at between $30 and $40 million.

I hope the committee will take the view that this is merely a response to the request of the secretary general for temporary financial assistance under the circumstances, and that there is nothing in the item other than the simple wording we now have before the committee in the printed vote.

Mr. Pearkes: Could the minister say whether Canada is sharing in any part of the work of moving obstacles out of the canal, or could he give any indication as to how long that work will likely take and when this loan may be repaid?

Mr. Harris: We are not doing any particular work in connection with the clearing of the canal. It is expected that the work might take three or four months from the time it commenced some two or three weeks ago. The advance will be dealt with during the current session of the United Nations, when it will be decided how the cost of the clearing of the canal will be borne by the members of the United Nations. When it is decided and the assessments are made and the contributions are then fixed we will know about the return of the $1 million or any part thereof which may be our share.

Mr. Pearkes: Does this loan in any way cover the expenses connected with the Canadian forces now serving with the United Nations emergency force located in the canal zone—

Mr. Harris: No, Mr. Chairman.

Mr. Pearkes: —and who in many respects, I presume, would be connected with the clearing of the canal?

Mr. Harris: That is not what I was asked, Mr. Chairman. I was asked whether Canadians were participating in the clearing of the canal. I took that to mean physically working at clearing the canal.

Mr. Pearkes: Perhaps I used the word "contributing" wrongly, meaning a physical contribution to the clearing of the canal zone. If I recall correctly the Minister of National Defence in the statement he made this afternoon referred to the fact that there were minesweepers. I do not think he was referring to vessels, though he did not make that clear. I believe he referred to minesweeping equipment located in the canal zone being manned by Canadians. Does that refer to the actual clearing of obstructions from the canal?

Mr. Campney: Mr. Chairman, I was referring entirely to land mines and to the work of the engineers.

Mr. Pearkes: Does this not include also a loan for the removal of land obstacles in the canal zone, or does it refer only to submerged obstructions?

Mr. Harris: It refers to those in the canal itself, Mr. Chairman.

Mr. Pearkes: The submerged obstacles?

Mr. Harris: That is right.

Mr. Pearkes: Mr. Chairman, in view of the fact the minister said he had a more complete statement to make, may I call it ten o'clock.

Mr. Harris: I hope my words were not misunderstood. I was asked for a brief statement and I gave it. What I meant to indicate

was that I would be glad to answer questions, but it is not my purpose to make any further statement in addition to what I have said up to this point.

Mr. Pearkes: Mr. Chairman, I think there are other questions which will have to be asked on this very important subject. It is now ten o'clock.

Progress reported.

Resolutions reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, we shall continue with this tomorrow.

Mr. Green: What will be taken up once this item is passed?

Mr. Harris: The same order of business I indicated last Friday: the Canada Council legislation and the Canadian wheat board bill.

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

QUESTION

The following is the answer to an oral question asked on January 16 by the hon. member for Lambton West, which appeared at page 298 of *Hansard*.

CHICAGO DIVERSION—DECISION OF UNITED STATES SUPREME COURT

1. How did it become possible for the United States supreme court to determine the flow of water through the Chicago drainage canal?

2. In his veto of the bill for increasing diversion of water from lake Michigan, did President Eisenhower state that he would not permit more water to go through the Chicago drainage canal?

3. Did the Secretary of State for External Affairs make a statement that the Chicago diversion was a matter for the international joint commission?

4. Would our supreme court or any judicial body in this country be empowered to permit a similar diversion from lake Huron or lake Erie?

Answer by: **Mr. Cardin, Parliamentary Assistant, for the Secretary of State for External Affairs:**

1. This is a matter of United States domestic law and accordingly is outside our competence to answer. However, the following outline of my understanding of the situation may be helpful. A United States statute of 1890 forbids the alteration or modification of the course of any navigable waters of the United States without authorization by the Secretary of War. In 1899 the Secretary of War granted permission to the Chicago sanitary district to divert a certain quantity of water from lake Michigan into the Chicago drainage canal. Litigation concerning this authorization came before the Supreme Court of the United States which issued a formal order on April 21, 1930, limiting the volume of water which might be diverted at Chicago to an annual average of 1,500 cubic feet per second in addition to domestic pumpage of some 1,700 cubic feet per second. The order apparently is of a continuing nature and to obtain authority to divert a greater amount of water, an application must be made to the Supreme Court of the United States to vary its order of 1930. On December 17, 1956, the United States Supreme Court varied its order to increase the flow from 1,500 to 8,500 cubic feet per second (in addition to domestic pumpage) beginning immediately and continuing until January 31, 1957. The representations on the basis of which the court made its order were that, as a result of a serious drought in the American middle west, navigation on the Mississippi river had been seriously affected and that emergency conditions existed.

2. No. In his memorandum of disapproval dated August 9, 1956, President Eisenhower states that he has withheld his approval of House of Representatives Bill 3210. This bill

proposed to increase the diversion of water from lake Michigan by 1,000 cubic feet per second for a three-year test period. I suppose, as legislation, it would in effect override the court order. In part, the President's memorandum says: "A comprehensive report by the corps of engineers which will include consideration of the best methods of obtaining improved control of the levels of the great lakes and of preventing recurrence of damage along the shores is nearing completion. I am asking the Secretary of Defence to expedite completion of this report. This report is in addition to the technical report on the effects of an increased diversion into the Illinois waterway which has been made by the joint lake Ontario engineering board to the international joint commission. I think it would be unwise to proceed with the diversion in the manner proposed in H.R. 3210 until all relevant information has been obtained, particularly since objections to the proposed diversion have been registered by the Canadian government in its note dated February 13, 1956, and additional objections filed by legal advisers of the states of Wisconsin, Ohio, and New York. . . . I am asking the state department to engage in discussions with the Canadian government in an attempt to work out a solution to these problems as soon as all pertinent facts are available." I may add that the Canadian government has not yet been approached by the state department, although recent newspaper reports indicate that such action may be expected soon.

3. No. On the contrary, on August 2, 1956, in replying to a question from the hon. member for Lambton West, the Secretary of State for External Affairs is quoted in *Hansard*, at page 6844: "It appears that the proposed diversion of the waters of lake Michigan would not come under the jurisdiction of the international joint commission unless it were referred specifically to it."

4. No. Lake Huron and lake Erie are boundary waters and article III of the boundary waters treaty provides that no "diversions, whether temporary or permanent, of boundary waters on either side of the line, affecting the natural level or flow of boundary waters on the other side of the line, shall be made except by authority of the United States or the Dominion of Canada within their respective jurisdictions and with the approval, as hereinafter provided, of a joint commission, to be known as the international joint commission." The article goes on to explain that this provision is not intended to limit the right of each government to undertake certain governmental works in boundary waters which "do not

materially affect the level or flow of the boundary waters on the other (side of the line), nor are such provisions intended to interfere with the ordinary use of such waters for domestic and sanitary purposes". A diversion from lake Huron or lake Erie would not be similar to a diversion of water from lake Michigan because the latter is not a boundary water. Diversion of waters from lake Michigan comes under article II of the treaty, in which each government reserves to itself "the exclusive jurisdiction and control over the use and diversion, whether temporary or permanent, of all waters on its own side of the line, which in their natural channels would flow across the boundary or into boundary waters".

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

DEPARTMENT OF FINANCE

University grants—

541. To authorize payments to the national conference of Canadian universities (hereinafter called "the conference") for the purpose of making grants to institutions of higher learning in accordance with an agreement entered into or to be entered into, with the approval of the governor in council, between the Minister of Finance and the conference, such agreement to include, inter alia, provision that the total amount of grants to all the institutions of higher learning in any one province be calculated by multiplying the population of the province by $1, and that any amount payable to an institution of higher learning and not paid by the conference in the present fiscal year may be retained by the conference until such time as the institution to which the money is payable claims the payment from the conference or parliament provides otherwise for the disposal thereof; the amount appropriated under vote 132 of the Appropriation Act No. 6, 1956 to be applied to the purposes of this vote; additional amount required, $7,986,000.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

National health branch—

Health services—

542. Immigration medical services—further amount required, $225,000.

DEPARTMENT OF TRANSPORT

A—Department—

Railway and steamship services—

543. Construction or acquisition of auto-ferry vessels and equipment—further amount required for the auto-ferry vessel for service between Wood Islands, Prince Edward Island and Caribou, Nova Scotia, $600,000.

DEPARTMENT OF VETERANS AFFAIRS

Treatment services—

544. Hospital construction, improvements, equipment and acquisition of land—further amount required, $435,000.

HOUSE OF COMMONS

Wednesday, January 30, 1957

The house met at 2.30 p.m.

GRAIN

WHEAT—ANNOUNCEMENT OF INTERIM PAYMENT ON 1955-56 CROP

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I wish to advise the house that there will be an interim payment on the 1955-56 pool account for wheat. The payment decided upon will be 10 cents per bushel on all grades of wheat, except milling grades of Durum wheat. On milling grades of Durum wheat the interim payment will be 25 cents per bushel.

In reaching this decision in regard to an interim payment, the government has been guided by a statement of the position of the 1955-56 wheat account, as prepared by the Canadian wheat board. This statement indicates that the selling of wheat in the pool is well advanced and the account is in a surplus position on all grades of wheat delivered to the board by producers between August 1, 1955 and July 31, 1956. These deliveries amounted to 352.2 million bushels. The extent of the interim payment is based upon the recommendation of the wheat board.

The interim payment will provide for the distribution of approximately $37,300,000 to producers who delivered wheat to the pool in the year ending July 31 last.

In its main features, the interim payment which I am announcing is similar to the interim payment on the 1954-55 pool which I announced in the house on February 2, 1956, except that it is larger. The main difference is that, in the case of the 1955-56 pool, the interim payment of 10 cents per bushel will apply to all grades of wheat with the exception of milling grades of Durums; whereas in the case of the 1954-55 pool an interim payment was not possible on No. 5, No. 6 and feed wheat and some other grades. On some grades the interim payment a year ago was 5 cents per bushel.

I expect that the wheat board will be able to commence issuing interim payment cheques from the 1955-56 pool on about the same date as a year ago; the actual mailing of cheques to producers will commence about the middle of February or shortly thereafter.

It is not possible, of course, at this time to state definitely when the final payment will be made on the 1955-56 crop but on the basis of the information now available it would appear that an announcement of a final payment should be possible at about the same date as last year, during next May.

[Later:]

ALLEGED DISCRIMINATION AGAINST SHIPMENTS THROUGH VANCOUVER

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Will the minister explain to the house why, when only the ports of Vancouver and New Westminster are open for grain shipments, every encouragement is not given by government policy for grain shipments westward and why Vancouver is discriminated against when other ports are open for ship transportation?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I would point out to my hon. friend that shipments through the port of Vancouver are 60 per cent higher this year than they were at this time last year and that shipments of grain through that port are taking place at such a rate that stocks in the port are down almost to the vanishing point, despite the best that both railroads can do by way of hauling grain across the mountains. If my hon. friend will find some way by which we can load more boats per week than we are loading now we would be glad to go after more business for that port. At the moment it is working to absolute capacity.

Mr. Winch: A supplementary question. I base my information on correspondence between the minister and the city council indicating that because of certain action that port was being discriminated against. They contended that they can still handle more grain.

Mr. Howe (Port Arthur): I do not know. Perhaps the hon. member would ask the city of Vancouver to let me know how the port can handle more grain than it is handling today. I know there are boats at every berth and more boats waiting in the stream, and that has been the situation since early autumn.

[*Later:*]

CANADA-UNITED STATES—SUGGESTED CO-ORDINATED PROGRAM OF DISPOSAL

On the orders of the day:

Mr. H. A. Bryson (Humboldt-Melfort): I should like to direct a question to the Minister of Trade and Commerce. Has the minister's attention been drawn to a statement by Herbert Hughes, president of the national association of wheat growers in the United States, in which he advocates a co-ordinated program for the disposal of surplus Canadian and United States wheat by barter and/or special measures? Will Canada consider approaching the United States government with a view to establishing such a co-ordinated program?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the hon. member was good enough to send me a copy of the article in question. We do attempt to work closely with the disposal agencies of the United States—without too much success, I may say—but we will continue to see that whenever parallel action is possible it is followed.

STARRED QUESTIONS

PENSIONS—TRANSFER RIGHTS

Question No. 1—**Mr. Knowles:**

1. Has the government obtained, since February 8, 1956, any statistical information on the transferability of pension rights by employees moving from one employment to another? If so, how many industrial pension plans in Canada provide for such transferability of an employee's pension rights?
2. Is the government taking any steps, or studying the possibility of taking such steps, to encourage and facilitate the mobility or transferability of pension rights, (a) with respect to employees in private industry; (b) with respect to employees in the public service?
3. Is the government now studying the possibility of a government sponsored national industrial pension plan, into which various industrial pension plans might be integrated, to facilitate retention of pension rights by persons who move from one employment to another?
4. What studies are being made by the government of any other ways of facilitating the mobility or transferability of pension rights? What are the results to date of any such studies?
5. Has the government received representations for the establishment of a national industrial pension plan? If so, what reply has the government made to such representations?

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, in reply to question No. 1 no additional information to that contained in my answer to question 66, reported on page 992 of *Hansard* of February 8, 1956, has been obtained by the government.

Question No. 2: In addition to the answer provided last year to part 3 of the above question No. 66, a study is being undertaken of the effects of pension plans on the employment of older workers, including questions of transferability and mobility of pension credits.

Question No. 3: The question referred to in 2 above will assist in evaluating the desirability of facilitating the retention of pension credits by persons who move from one employment to another.

No. 4 is answered by No. 2 above.

No. 5: The Canadian Labour Congress and the Canadian and Catholic Confederation of Labour have included such proposals in their memoranda to the cabinet. It has been suggested that the implications of various proposals such as those included in the memoranda might be discussed further by representatives of the central labour federations with appropriate departments of government.

OLD AGE PENSIONS—PAYMENT OUTSIDE CANADA

Question No. 2—**Mr. Knowles:**

Is the government considering the introduction of an amendment to the Old Age Security Act to permit persons who have qualified for the pension paid thereunder to continue to receive the said pension even if they subsequently move to another country, (a) on account of health; (b) for other reasons?

Mr. Robertson, Parliamentary Assistant, for the Minister of National Health and Welfare: As this question deals with a matter of government policy any proposed legislation would be announced by the government at the appropriate time.

SHAUGHNESSY HOSPITAL, VANCOUVER—POOL

Question No. 3—**Mr. Goode:**

1. Has the government made an investigation into the need of a heated pool for patients at Shaughnessy hospital, Vancouver?
2. If so, what was the result of the investigation?

Hon. Hugues Lapointe (Minister of Veterans Affairs): In answer to this starred question may I say that following approval of funds for preliminary work in connection with new construction at Shaughnessy hospital, Vancouver, the architects were asked to prepare plans and the over-all planning for additional construction will include the study of the need of making provision for a therapeutic pool. As soon as detailed plans and estimated costs are available a decision will be made.

HOSPITAL CONSTRUCTION, CAMPBELLTON, N. B.—FEDERAL ASSISTANCE

Question No. 4—**Mr. Robichaud:**

Has any assistance been given recently by the federal government toward the construction of additional hospital accommodation in Campbellton, New Brunswick?

Mr. Robertson, Parliamentary Assistant, for the Minister of National Health and Welfare: Yes. Within the past fortnight approval has been given by the federal government to the granting of assistance under the national health program toward the cost of an addition to the Hotel Dieu de St. Joseph which will accommodate over 70 beds and additional bassinets. Approximately $95,200 will be available to the hospital for this purpose.

QUESTIONS PASSED AS ORDERS FOR RETURNS

FEDERAL EMPLOYMENT OF LEGAL FIRMS

Question No. 4—**Mr. Murphy (Lambton West):**

1. What lawyers or legal firms were employed by any department of the federal government during the year 1956?
2. If any lawyer or legal firms employed by any department of the federal government during the year 1956 received more than $1,000, what are their names and what were the amounts paid in each case?

FEDERAL ADVERTISING EXPENDITURES, 1956

Question No. 7—**Mr. Murphy (Lambton West):**

1. What was the amount spent in advertising by each department of the federal government in the year 1956?
2. What firms or advertising agencies were used and what was the amount paid each such firm or agency?

SARNIA, ONT.—FEDERAL PAYMENTS IN LIEU OF TAXES

Question No. 9—**Mr. Murphy (Lambton West):**

What was the amount paid to the city of Sarnia by the federal government in each of the years 1951 to 1956 inclusive, in lieu of taxes?

FEDERAL VESSEL CONSTRUCTION COSTS

Question No. 11—**Mr. Bell:**

1. In the last ten years, for all government vessel construction over $100,000, was there any difference as between the final cost and the amount of the original tender?
2. If so, what amount in each instance?

NATIONAL DEFENCE—FIRE STATISTICS, 1956

Question No. 19—**Mr. Fraser (Peterborough):**

1. Did the Department of National Defence have any fires during the year 1956?
2. If so, what was (a) the total number of fires; (b) the total fire loss?
3. In all cases where the loss exceeded $1,000, what was (a) the location; (b) the service; (c) the cause; (d) the extent of the fire loss?
4. Was an official inquiry held in each case?
5. If so, what were the findings?

PUBLIC SERVICE, REGINA—40-HOUR WEEK

Question No. 52—**Mr. Ellis:**

1. Are any employees of the federal government in the city of Regina working on a 40-hour week required to work any part of these 40 hours on a sixth or seventh day in any week? If so, how many?
2. What is the classification of such employees and what reason is given for not providing for a five-day work week?

DOMINION COAL COMPANY—PAYMENTS

Question No. 57—**Mr. Gillis:**

1. How much money was paid the Dominion Coal Company for the calendar year 1956, by way of (a) subvention on the movement of coal; (b) subsidy; (c) drawback; (d) on exported coal?
2. How much money was paid the Sydney and Louisburg Railway, by way of (a) subvention; (b) rebate under the Maritime Freight Rates Act?

MARITIME PROVINCES—MILITARY TRUCKS

Question No. 65—**Mr. Gillis:**

How many cars or trucks have the navy, army, air force and Royal Canadian Mounted Police in the maritime provinces?

OLD AGE ASSISTANCE, ONTARIO

Question No. 75—**Mr. Brown (Essex West):**

1. How many persons between the ages of 65 and 70 years, (a) male; (b) female, were there in the province of Ontario, as of December 31, in each of the years 1954, 1955 and 1956?
2. How many persons in the province of Ontario in each of the years 1954, 1955 and 1956, were receiving old age assistance?
3. How many persons in each of the years 1954, 1955 and 1956, in the province of Ontario, (a) male; (b) female, have been rejected in their application for old age assistance?

MOTION FOR PAPERS

DEAS ISLAND TUNNEL, B.C.

Motion No. 3—**Mr. Goode:**

For a copy of all correspondence exchanged between the provincial government of British Columbia, the New Westminster harbour board and the federal government, in 1956 and 1957, regarding an alleged cessation of planning and actual work on the Deas island tunnel across the main channel of the Fraser river.

Hon. Robert H. Winters (Minister of Public Works): I do not think the hon. member would expect us to table correspondence between the provincial government of British Columbia and the New Westminster harbour board, but subject to the usual reservations I shall be glad to have the correspondence between this government and the government of British Columbia and the New Westminster harbour board tabled.

Mr. Speaker: Subject to the reservation indicated by the Minister of Public Works, the motion will carry.

Motion agreed to.

PIPE LINES

TRANS-CANADA PIPE LINES—INQUIRY AS TO CERTIFICATION OF FINANCING

On the orders of the day:

Mr. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Trade

and Commerce and ask him whether the governor in council has passed an order in council during the last few days certifying the financing of Trans-Canada Pipe Lines?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Yes, that is correct, we have.

Mr. Diefenbaker: On what date was that order in council passed?

Mr. Howe (Port Arthur): Friday of last week.

Mr. Diefenbaker: I should like to ask the minister whether the passing of that order in council before the transport board had a chance to make an impartial decision on this question was not improper action on the part of the government and something designed to influence the transport board?

Mr. Howe (Port Arthur): The board of transport commissioners make their own decisions as they are a judicial body, and the government makes its decisions. A decision was necessary to facilitate the documentation of the financing of the pipe line and at the appropriate stage that particular decision is made. Ample evidence was provided to the government and the government made its decision.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, may I direct a supplementary question to the Minister of Trade and Commerce following the question asked by the Leader of the Opposition? Will the minister table the order in council to which reference has been made?

Mr. Howe (Port Arthur): There is certainly no objection to tabling it. I understand that such things are done as a matter of routine by the privy council office, but I will make sure that that particular order is tabled this afternoon.

Mr. Green: Why was it not left to the board of transport commissioners to make a decision without their being influenced by an order in council?

Mr. Howe (Port Arthur): There was nothing to stop the government making a decision. The hearing of the board of transport commissioners was set for February 1, when the matter will be heard before the board, but that does not prevent the government taking independent action, because this is a decision that the financing has been completed; it is a matter of fact, not a matter for the board of transport commissioners to determine for the government.

Mr. Diefenbaker: If it is a matter of fact, what is the use of the board of transport commissioners? The matter will be submitted to them at the end of this week. What right has the government to prejudge a matter such as this, which lies within the jurisdiction of the board of transport commissioners?

Mr. Howe (Port Arthur): Mr. Speaker, the matter lies within the jurisdiction of the board of transport commissioners in its administration of the Pipe Lines Act; the matter before the government is in connection with the obligation of Trans-Canada Pipe Lines to build their part of the pipe line, and the obligation of the crown corporation to build the northern Ontario section.

[*Later:*]

TRANS-CANADA PIPE LINES—ACTION OF GOVERNMENT ON FINANCING

On the orders of the day:

Mr. W. M. Hamilton (Notre Dame de Grace): Will the Minister of Trade and Commerce inform the house what course of action the government will follow if the board of transport commissioners, at its next hearing, finds that the financing of Trans-Canada Pipe Lines has not been completed?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Well, Mr. Speaker, I would call that a hypothetical question. The answer is that, after the board of transport commissioners brings down its findings, the government will consider the situation and take appropriate action.

Mr. Diefenbaker: If I might ask a supplementary question, is that not exactly what has taken place here? The cabinet, first having ditched parliament last summer, now invades the jurisdiction of the board of transport commissioners and by anticipation attempts to influence its inclusive authority to decide.

Mr. Howe (Port Arthur): I am glad to note that the opposition, who have violently opposed the pipe-line project throughout its history, are now opposed to admitting that the pipe line is financed.

Mr. Diefenbaker: We are opposed to the government interfering with the board.

Mr. Howe (Port Arthur): There are two separate contractual relationships: one is the contractual relationship between the government and Trans-Canada Pipe Lines and so far as that contractual relationship is concerned a decision of the government was required and has been made. There is a quite different relationship between the board of transport commissioners and the company. The question there is as to whether the board

of transport commissioners is prepared to give final approval to the route and to the building of Trans-Canada Pipe Lines?

Mr. Diefenbaker: And the financing.

Mr. Howe (Port Arthur): The route approval depends on the financing.

Mr. Diefenbaker: Yes, of course.

Mr. Howe (Port Arthur): And that no doubt will be considered. The date of the hearing before the board of transport commissioners was set two months ago. There seems to be no particular reason to expedite that hearing but it will take place and the decision will be rendered. Whether or not the board of transport commissioners is going to be influenced by a decision of the government is a matter for the board to decide.

ADMINISTRATION OF JUSTICE

FAUTEUX COMMISSION REPORT—POSSIBLE CHANGES IN REGULATIONS OR LEGISLATION

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct a question to the Minister of Justice. Can the minister advise the house whether it is his intention to recommend changes in regulations or legislation that come completely within federal jurisdiction and responsibility relative to recommendations made in the Fauteux report and the report of the joint committee on capital and corporal punishment and lotteries? If not, why not?

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, this is the type of question of which one would like to have notice and I think I will ask my hon. friend to permit this question to stand as notice since there appears to be a catch in it.

PUBLIC BUILDINGS

PETERBOROUGH—INQUIRY AS TO USE OF OLD POST OFFICE

On the orders of the day:

Mr. G. K. Fraser (Peterborough): Mr. Speaker, I should like to address a question to the Minister of Public Works. On Thursday last I asked the minister if he could say what was going to be done with the old post office building in Peterborough. I should like now to ask the minister if he can tell us what is going to be done and if that building is going to be torn down to make way for a government office building to house other departments of government in Peterborough?

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, no official decision has as yet been arrived at but we are contemplating the possibility of building a new building on that site.

Mr. Fraser (Peterborough): We certainly need it.

LABOUR CONDITIONS

APPLICATION OF FEDERAL LABOUR LAWS TO HOLDERS OF MAIL CONTRACTS

On the orders of the day:

Mr. F. G. J. Hahn (New Westminster): I would like to ask a question of the Minister of Labour. Would the minister indicate whether federal labour regulations and laws apply to employees of persons who have federal mail contracts, and if so has such an employer in the New Westminster or Vancouver metropolitan area been given permission to work his employees for 50 hours per week?

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, such a service contract does not come within the federal legislation of my department but I understand the Postmaster General exercises certain supervision over these matters, and if the hon. member will send details of what he has in mind to him or to me, we will look into it.

FLOODS

SASKATCHEWAN—ACTION TAKEN IN KAMSACK AREA

On the orders of the day:

Mr. G. H. Castleden (Yorkton): I should like to direct a question to the Minister of Agriculture. What steps have been taken by his department to prevent a recurrence this spring of serious flooding on the Assiniboine river in the Kamsack area of Saskatchewan?

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, the Assiniboine river in the province of Saskatchewan and the province of Manitoba is within the P.F.R.A. area, and there are quite a number of possible dam sites in the head waters of the Assiniboine river. Those have all been investigated by the engineers of P.F.R.A. and I understood that P.F.R.A. engineers and officials met representatives of the councils of municipalities in the vicinity of Kamsack at Kamsack last week and discussed the whole question of the advisability of constructing dams there for stock watering and what the effect would be upon flooding.

Mr. Castleden: Then I take it that nothing has been done.

Mr. Gardiner: All that it is necessary to do in order to find out whether or not you can do anything has been done.

FINANCE

REFERENCE TO PRESS REPORTS OF STATEMENT BY MINISTER

On the orders of the day:

Mr. J. M. Macdonnell (Greenwood): I wish to direct a question to the Minister of Finance based on a statement he made at a meeting he addressed in York Centre the other evening as reported in the Montreal *Gazette*. The statement is as follows—

Mr. Speaker: Order. Will the hon. member be good enough to put his question without reading the statement?

Mr. Macdonnell: Mr. Speaker, the question will not make sense without reading the statement.

Mr. Speaker: Then it is not the type of question that should be asked at this time.

Mr. Macdonnell: Mr. Speaker, I may not read the words on which I base my question?

Some hon. Members: No.

[*Later:*]

Mr. Macdonnell: I hope I now have this question in more orthodox form, Mr. Speaker. Does the Minister of Finance think the governor of the Bank of Canada, which is seeking to control inflation, may regard the minister, in the words of the daily press, as something resembling public enemy No. 1 for not practising what he preaches when he said:

> It seems clear that the only relief from a situation in which there is strong competition for money would be more saving which would release more real resources for use by those borrowers whose present needs are not being fully met.

Hon. W. E. Harris (Minister of Finance): I have never asked the governor of the Bank of Canada what he thought about me. If he had any strong opinions, I am sure he would express them about me and about the policies of the government. I do not think I need to answer the rest of the question.

[*Later:*]

ALLEGED REMARKS OF MINISTER ON POSTPONEMENT OF FEDERAL PROJECTS

On the orders of the day:

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, may I direct a question to the Minister of Finance. Was the minister correctly reported in the press as having said in Toronto on Monday that the federal government was postponing some of its projects and perhaps small business should do the same? If so, would the minister inform the house what projects the government has decided to postpone and why?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I do not know about the reports that have been made and if my hon. friend has not seen a copy of the notes I used on that occasion I will be glad to send them to him. I was not referring to anything other than capital outlay in the part of the speech that I presume got into the press in this form. What I said was that the government had reviewed its 1957-58 estimates having in mind the inflationary tendencies particularly in the capital outlay area and that as a result of that review we had in fact cut them down by—I did not use the figure—$105 million, so that the capital outlay of the government is that much less in this coming year than it has been in the past year and that is, I think, the example I was speaking of and that I hoped others might follow.

[*Later:*]

FARM IMPROVEMENT LOANS—ADMINISTRATION OF REGULATIONS AS RELATED TO ACREAGE

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I should like to direct a question to the Minister of Finance. Can the minister say whether through instructions to the banks or by way of regulation farmers who have less than 300 acres of cultivated acreage have been turned down when applying for farm improvement loans?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I do not know whether any farmer who has less than 300 acres has been turned down for any reason such as his credit rating or the necessity of the particular purpose set out in his application. I do not think that because a farmer has less than 300 acres that would in itself be a reason why he should not get a loan.

Mr. McCullough (Moose Mountain): A supplementary question. Can the minister give the house assurance that bankers are not justified in denying farmers loans simply because they have not 300 acres or more under cultivation?

Mr. Harris: Before I give assurance may I inquire if my hon. friend knows of any case where that was the reason?

Mr. McCullough (Moose Mountain): Definitely I do.

Mr. Harris: I would be glad if the hon. member would help the government of Canada by giving us notice of such cases.

[*Later:*]

CONFERENCE TO DISCUSS FINANCIAL PROBLEMS OF MUNICIPALITIES

On the orders of the day:

Mr. Ambrose Holowach (Edmonton East): Mr. Speaker, I wish to ask the Prime Minister a question. Can the Prime Minister indicate to the house whether or not it is intended to call a conference of the three levels of government in Canada in order to discuss the acute financial problems facing the municipalities? The Prime Minister will recall that such a request was urgently made by the federation of mayors and municipalities in its latest submission to the government.

Right Hon. L. S. St. Laurent (Prime Minister): No, sir, the Prime Minister is not prepared to give any assurance that the federal government will call a conference of members of that level of government, which are agencies of the provincial governments. The position that has always been taken is that municipal authorities are agents of the provincial governments, and that if the provincial governments wished to have them represented in our conferences there would be no objection, but that we had no jurisdiction at all over such authorities.

EXTERNAL AFFAIRS

KASHMIR—REQUEST FOR STATEMENT CONCERNING COMMONWEALTH NEGOTIATIONS

On the orders of the day:

Mr. E. D. Fulton (Kamloops): I should like to direct a question to the Prime Minister. In view of the importance of the developments in Kashmir, will the right hon. gentleman consider making a full statement to the house as to the negotiations or representations or exchanges between the government of Canada and other commonwealth governments with respect to this matter at this time and negotiations in the past?

Right Hon. L. S. St. Laurent (Prime Minister): No, Mr. Speaker. Delicate negotiations are going on now in many capitals in reference to that matter and I do not think it would help them at all to make a statement on what has taken place in the past or what part Canada is endeavouring to take at the present time. I can assure the hon. gentleman that the matter is being considered in an atmosphere of attempting on all sides to reach a solution that will ease the situation that has unfortunately existed with regard to that part of the subcontinent of Asia since the establishment of the republic of India and the commonwealth of Pakistan.

Mr. Fulton: May I ask the Prime Minister whether he is aware that the representative from India to the United Nations made a disclosure in the United Nations assembly, as reported in the British press of January 25, of the text of discussions on that subject that took place in a commonwealth prime ministers meeting in 1949? It was in the light of that fact that I asked if this House of Commons and this country may be informed of what had been the discussions and what the background of the present position is.

Mr. St. Laurent (Quebec East): I understand that the representative of India made a seven-hour speech in the general assembly. I must confess that I have not had time to read it all. I know what attempts are being made, about which confidential dispatches are being exchanged daily—and perhaps more frequently than daily—as the negotiations progress. I hope it will not be long before a statement of some improvement in the situation can be made.

OLD AGE PENSIONS

INQUIRY AS TO POSSIBLE INCREASE

On the orders of the day:

Mr. Solon E. Low (Peace River): Mr. Speaker, I have a question for the Minister of National Health and Welfare (Mr. Martin) but in his absence I should like to direct it to the Prime Minister if he would not mind dealing with it. In view of the fact that provincial legislatures are now beginning their sessions and that their budget preparations are already well advanced, does the Prime Minister not think it would be most unfair to the provinces to delay further any announcement the government may have to make with regard to old age pension increases?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I do not know what effect old age pension increases might have on provincial budgets but the government has reached no decision in respect of the question the hon. gentleman suggests. As soon as a decision is reached—if one is reached—it will be announced in the house.

Inquiries of the Ministry

INDUSTRIAL RELATIONS

REQUEST FOR AMENDMENT OF INDUSTRIAL RELATIONS AND DISPUTES INVESTIGATION ACT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour. Has the minister taken note of the request of the Canadian Labour Congress in its recent brief to the cabinet for an amendment to the Industrial Relations and Disputes Investigation Act to provide that the certification of a bargaining unit shall be binding on any employer to whom work is transferred, so that the practice of by-passing collective agreements might be stopped? Will consideration be given to such an amendment at this session of parliament?

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, I noted carefully the representations made by the Canadian Labour Congress and the legislative committee of the railway brotherhood when they met with the government last week. These matters are being carefully looked into. Consequently it would be too early to answer the latter part of my hon. friend's question.

CITIZENSHIP AND IMMIGRATION

INDIAN AFFAIRS—SITUATION ON HOBBEMA RESERVE, ALBERTA

On the orders of the day:

Mr. Carl O. Nickle (Calgary South): Mr. Speaker, I should like to address a question to the Minister of Citizenship and Immigration. In the light of the dramatic flow of the milk of human kindness that stemmed from the minister's personal mission to Vienna to assist Hungarian refugees from communism, is the minister prepared to undertake a new personal mission dramatically to assist victims of bureaucratic aggression, by journeying to the Hobbema Indian reserve in Alberta for a first-hand investigation of the case of 118 Indian men, women and children dispossessed of their right to live on the land that has been their home for several generations?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): I think it would be quite wrong for a minister of the crown to attempt to substitute himself for a court of law when parliament has decided that a question should go before the court.

[*Later:*]

Mr. Nickle: Mr. Speaker, I should like to direct a supplementary question to the Minister of Citizenship and Immigration. If full-blooded Indians in Canada can be deprived of the legal right to call themselves Indians because of the white man's law passed by this government, can there be any security for a Canadian of any racial extraction protecting his rights to legally continue to be a Canadian?

Mr. Pickersgill: Mr. Speaker, no full-blooded Indian can be deprived of his rights as an Indian by any statute of which I am aware that has been passed by this parliament.

An hon. Member: You had better read the Indian Act.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, may I ask a supplementary question. I understand that the time for appeal has nearly expired. Would the Minister of Citizenship and Immigration advise if it would be possible to extend that time and if so would he consider extending the time allowed for the filing of an appeal?

Mr. Pickersgill: Well, Mr. Speaker, I do not think there is any reason to attempt to consider that hypothetical question until the time has expired. An appeal can be lodged up until February 6 and for the life of me I cannot understand why it has not been lodged already.

Mr. Fulton: Is the minister quite satisfied that there are ample funds available to the Indians for the lodging of an appeal, and is he prepared to help them in that regard?

Mr. Pickersgill: Mr. Speaker, no funds whatever are required. I am quite satisfied that, if an appeal is made by the aggrieved persons, any judge before whom it came would give the fullest possible consideration to the case.

Mr. Fulton: What about counsel?

WATER RESOURCES

INQUIRY AS TO MEETING WITH UNITED STATES OFFICIALS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Minister of Northern Affairs and National Resources. I apologize for not giving him notice, but I can assure him I am not trying to formulate policy on the basis of answers to questions. Can the minister tell the house when the representatives of Canada and the United States, who are going to discuss certain mutual problems with respect to the development of international rivers, will meet?

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): No definite date has been set as yet. Our people in Washington are discussing possible dates with the United States authorities at the present time.

Mr. Green: May I ask the minister why there has been such a long delay?

Mr. Lesage: There has not been such a long delay, Mr. Speaker, because these discussions could only start sometime after the United States elections. We are not the only party to the discussions. There are two parties. On the one hand there are our representatives in Washington, and on the other there are the authorities of the United States. At the present time I cannot say more than that the discussions are going on with a view to fixing the date.

UNEMPLOYMENT INSURANCE

SUGGESTIONS BY CANADIAN LABOUR CONGRESS—POSSIBLE AMENDMENTS TO ACT

On the orders of the day:

Mr. Michael Starr (Ontario): Will the Minister of Labour advise the house whether or not he is considering amendments to the Unemployment Insurance Act in line with the suggestions submitted in the brief of the Canadian Labour Congress during the present session of parliament?

Hon. Milton F. Gregg (Minister of Labour): No, Mr. Speaker.

POSTAL SERVICE

NEW WESTMINSTER, B.C.—PARCEL POST DELIVERY

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I should like to direct a question to the Postmaster General. Have the parcel postmen in New Westminster and South Burnaby who received a letter of dismissal effective January 31, 1957, been reinstated? If not, what future plans has the post office for parcel post delivery in the New Westminster area?

Hon. Hugues Lapointe (Postmaster General): Mr. Speaker, in order to properly answer this question and a similar inquiry which I received from the hon. member for Burnaby-Richmond (Mr. Goode), I should point out that the men who are employed to deliver parcel post in the two localities mentioned by the hon. member are not employees of the Post Office Department. Parcel post delivery is done under a contract entered into by the post office and individual contractors and I would presume that the men to whom my hon. friend refers are employees of such a contractor—

Mr. Regier: Oh no, they are employees of the post office.

Mr. Lapointe: I am sorry, but that is the case. However, if my hon. friend refers to certain individual contractors who received notice that the temporary arrangement under which they were making parcel post deliveries was to be terminated as of the 31st of January, 1957, these instructions have been suspended.

Mr. F. G. J. Hahn (New Westminster): I should like to direct a supplementary question to the Postmaster General following the one asked by the hon. member for Burnaby-Coquitlam (Mr. Regier). It arises out of a letter which I wrote him on December 15 and a question which appeared on the order paper. Does the Postmaster General consider that a contractor who has had a contract for 24 years is a temporary contractor? For how long is the temporary suspension of the letter of notice of dismissal to last—a 24-year period?

Hon. Hugues Lapointe (Postmaster General): Mr. Speaker, that question covers a lot of ground. When I referred in my earlier answer to a temporary agreement, may I say that what determines whether a contract is temporary or not is the fact of its being made for a set period of time. I am informed that none of the contractors referred to had any other arrangement with the Post Office Department than a temporary agreement to do the work at a certain rate per day, which agreement could be terminated any time by the Post Office Department. They are not employees of the department, they are individual contractors.

FREIGHT RATES

MARITIME FREIGHT RATES ACT—INQUIRY AS TO POSSIBLE REVISION

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, may I direct a question to the Prime Minister. In the light of a statement made yesterday by federal experts suggesting that a drastic revision of the Maritime Freight Rates Act will take place, and in the light of a further statement that suggestions should come from the seaboard provinces, will the Prime Minister say now or later exactly how these suggestions should be made by the maritime provinces?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I know of no statements made by expert officials. I do know that for some months the situation has been under investigation by officials of the Department of Transport for the purpose of securing accurate information as to what has been in fact the operation of the Maritime Freight Rates Act. As soon as that investigation is completed the matter will receive very serious consideration. It was brought to my attention by the former premier of Nova

Scotia some months ago and I told him that the investigation was being made but that there would be no attempt to arrive at a decision until we had at least the preliminary report of the Gordon commission but that we were having the investigation made so that time might be saved in giving proper consideration to the problem as soon as we had received the Gordon commission report and had the data which I think it would be very advisable to have before us in arriving at an answer to the question as to whether or not the act is operating as it was intended to operate.

Mr. Bell: May I ask a supplementary question, Mr. Speaker. In view of the fact that most of the information seems to be presently available, would the Prime Minister assure the house that action will be taken and legislation drafted this session on this very important issue?

Mr. St. Laurent (Quebec East): No, Mr. Speaker, I will not assure this house that there will be legislation until we have the information before us and have studied it and have come to the conclusion that legislation is required to make the act produce the effects that were intended when it was adopted.

TRANSPORT

INQUIRY AS TO APPOINTMENT OF CONTROLLER

On the orders of the day:

Mr. W. M. Johnson (Kindersley): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. In view of the welcome announcement of the interim payment will the minister recommend to his colleague the Minister of Transport (Mr. Marler) the immediate appointment of a transport controller to direct box cars to the marketing points that ended the crop year with a very low quota and have a very small payment so that they will not suffer now because of this?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the Minister of Trade and Commerce is well aware of what happened in the meetings of the committee on agriculture during the last session which in my opinion has made the position of transport controller completely untenable. Whatever recommendation I may make to my colleague, I cannot mention the name of any man who would accept that position and go before that committee in the capacity of transport controller.

Mr. Johnson (Kindersley): A supplementary question, Mr. Speaker. Is the minister not aware that these marketing points that ended with a very low quota are still on a very low quota owing to the failure of this government to appoint a transport controller?

NATIONAL DEFENCE

REFERENCE TO NAME OF NEW ARMOURED REGIMENT

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): I wish to direct a question to the parliamentary assistant to the Minister of National Defence in the light of his statement made yesterday with respect to the Princess Louise's Hussars. Will the government give further consideration to retaining the old designation, of the militia unit at least?

Mr. Paul Hellyer (Parliamentary Assistant to the Minister of National Defence): I have no comment to make on that subject, Mr. Speaker.

Mr. Bell: Can I have an indication that the question will be taken up by the department?

Mr. Hellyer: I will take the question as notice, and refer it to the minister, if I may.

IMMIGRATION

HUNGARIAN REFUGEES—REQUEST FOR STATISTICS ON AGES

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): I rise, Mr. Speaker, on a question of privilege. On page 686 of *Hansard* the Minister of Citizenship and Immigration, in referring to the Hungarian refugees, said he had figures regarding ages, marital status, and breakdown of occupations. I notice that the tables given in *Hansard* apply only to occupations and marital status. I wonder if that is an oversight, or whether the minister may yet table the ages in an appendix to *Hansard*.

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): I think, sir, it was an oversight. When I looked at the table and handed it in to *Hansard* I thought it included the ages; it was only when I read *Hansard* afterwards, as the hon. gentleman has done, that I discovered it did not. I will see whether there is a table giving the ages, and if so, I will be glad to give it to the house.

BUSINESS OF THE HOUSE

INQUIRY AS TO INTRODUCTION OF FURTHER LEGISLATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask a question of the Prime Minister. In view of the fact

that this session is getting on, with the end not weeks away, is the Prime Minister in a position to indicate to the house, either today or at an early date, what other legislation the government intends to introduce apart from what is already on the order paper?

Right Hon. L. S. St. Laurent (Prime Minister): Well, I will have inquiries made. I know there is one piece of legislation that it is intended to introduce and which is not yet ready, but I hope it may be ready for our consideration at a very early date. That is the measure dealing with the federal district commission. I will inquire whether there are other measures that are in preparation, and try to inform the house at as early a date as possible.

Mr. J. G. Diefenbaker (Leader of the Opposition): Would the Prime Minister say when the committee on estimates will be set up, and what particular departments of government will be investigated by that committee during the present session?

Mr. St. Laurent (Quebec East): I will be glad to discuss that question with the hon. gentleman and the leaders of the other groups.

SUPPLY

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

DEPARTMENT OF EXTERNAL AFFAIRS

Loans, investments and advances—

545. Loan to the United Nations Organization to help finance the clearing of the Suez canal, $1,000,000.

Mr. Diefenbaker: Mr. Chairman, last evening the Minister of Finance said that later in the discussion he would give a detailed explanation of this item and would discuss it at length; at least this is what I gathered from the remarks which were reported in *Hansard*. He said he would make a brief explanation, and give a more detailed one later if it was desirable.

Mr. Harris: Read what I said about that at the conclusion of the session.

Mr. Diefenbaker: Well, I have read the entire statement, and I think that the suggestion which was made by the minister at the beginning of his remarks was very proper, and that the house and the country deserve a better and more complete summary as to the reasons for this loan. After all, it brings into focus a number of questions of paramount interest at this time for the preservation of peace in the Middle East and, indeed, throughout the world, and I have a number of questions which I wish to ask the minister.

Is the loan going to be effective, in the opinion of the minister, in providing for the opening of the Suez canal? What assurance is there that if the canal is opened Nasser, who up to now has defied every order made by the United Nations, will allow free passage for the ships of all countries, including Israel? What are the provisions for repayment? What has the minister to say with regard to the apportionment of responsibility for the destruction which has been done to the canal? Will Nasser be required to pay for the damage which, after all, was mainly, if not entirely, caused by him, and voluntarily done? I think we ought also to know how an allocation was arrived at whereby Canada assumes a disproportionate share of the actual amount to be lent to the United Nations.

These are matters which are being discussed today in the United Nations. Indeed, as one looks back over the last two or three months, one can only conclude that in the sorry history of the situation in Suez this loan would never have been required had there not been vacillation and uncertainty on the part of the free world—an attitude which has had the result of elevating Nasser to a prominent position as the dictator of the Middle East, and as the predeterminator, according to his will and his whim, of the orders made by the United Nations.

All these things arise under this section. But as yet, the house has not been made aware of the stand which is being taken by Canada at the United Nations, or respecting the direction or order made by the United Nations requiring Israel immediately to evacuate the entire Gaza area as well as the area in the vicinity of the Gulf of Aqaba.

On June 19, the secretary general was instructed to make, within five days, a report as to whether or not Israel would withdraw to the armistice line and, strangely enough, the secretary general has interpreted his mandate as giving him no right to demand or provide guarantees which Israel is seeking before evacuating the small areas she now occupies—the greater portion of the areas occupied having long since been evacuated by Israel. I think we have the right to know what attitude Canada is taking in this regard.

Israel has asked for guarantees to prevent Egypt from resuming raids on her territory, and to end the blockade that is imposed by Egypt in direct contravention of the orders of the security council promulgated in 1951. The secretary general says that nothing can be done by the United Nations to provide a strong force, except by the consent of Egypt. Surely this house and the country have a

right to know how long this system of blackmail by Nasser will be permitted to continue. He has been allowed to say what the conditions governing the force shall be; he has been allowed to determine the tenure of that force; he has taken it upon himself to say that when, in his opinion, the emergency force should be withdrawn, that force shall be withdrawn. And in the last three or four days he has made his threat that unless the Israelis leave the Gaza area unconditionally he will, or may, make the canal unusable; and that he may find it necessary to call in the so-called Russian volunteers.

Sir, what assurance have we that if the canal is cleared Nasser is going to resume the responsibility of a nation enjoying membership in the United Nations? You say: What connection has the emergency force with a loan to clear the canal? There can be no peace, no permanence, brought about by the clearing of the canal unless before it is done responsibility is accepted by Egypt for a discontinuance of its previous wrongful acts.

I ask the minister to set out in detail what plans the United Nations has, what stand our representative, the Secretary of State for External Affairs, is taking on behalf of Canada, in order to assure that the United Nations will have its directives respected not only by Israel but also by the grave wrongdoer, Nasser, who has treated the orders of the United Nations as so many scraps of paper. This week the United Nations faces its greatest challenge. It will either go forward to new strength or it will be emasculated in the same manner in which the league of nations was destroyed by similar action and defiance by Mussolini.

Would the minister say whether or not in Canada's opinion the Israelis should unconditionally withdraw from the Gaza area before the United Nations emergency force marches in in order to prevent a repetition of the border raids and the guerrilla attacks that have continued for seven years? Unless the emergency force is accepted as an instrument that can be used anywhere to secure and maintain compliance with the United Nations directives, then it is simply a nebulous force devoid of capacity to act and totally unable to assure that the clearance of the canal will be continued and that the canal will be made open without any restrictions to the ships of all nations.

I ask the minister whether Canada has demanded in the United Nations or intends to demand that when the Israelis evacuate their points of occupation on the gulf of Aqaba the Egyptian blockade of Israeli ships will end and all nations will be assured of equality of opportunity to utilize the canal and its facilities. Sir, if the canal is to be cleared by the United Nations through loans provided by member countries within the United Nations, have we not the right to be assured that Nasser's sole control of the canal shall end? Otherwise this is just a stopgap, another act of appeasement to Nasser.

Remember that he has said that if at any time he does not wish to maintain the canal as an open waterway he has the right to say so. I doubt whether in the last century there has ever been an equal defiance of the conscience and will of the free world than has taken place in the last few weeks. When parliament is asked to vote for a loan we have a right to know the degree to which, in the opinion of those in the government with a full knowledge of the subject, the clearing of the canal will effectually assure freedom of ingress and egress to all nations. If the United Nations allows Egypt this week to flout its authority Nasser will have been established on an eminence as a dictator in the Middle East. The future will then be fraught with fear and foreboding and the U.S.S.R. will have used him as a pawn to bring about that which they have endeavoured to achieve for more than 300 years, namely, a control over the Middle East that until now has been denied them.

Nasser has become emboldened by the unconditional support he has received from the general assembly, and I ask the minister if the Israelis withdraw from these two strategic points, Gaza and the gulf, there will be assurances that in so far as Canada's representative at the United Nations is concerned every precaution will be taken to assure that the United Nations emergency force will occupy these two areas and prevent aggression on the part of Egypt in the gulf area and in the Gaza area—prevent aggression on the part of Arab terrorists as well as prevent any bands from Israel from attacking or raiding in that area. Certainly the situation seems most anomalous in that Nasser, having defied the United Nations over and over again, having refused to obey an order made in 1951 to assure that the canal should be open and that Israeli ships should have freedom to pass through the canal, now insists, as one who has himself defaulted, that the state of Israel, the last bastion of freedom in the Middle East, shall be divested of all hope of protecting itself.

I ask the minister this. What assurances have we that when the canal is cleared Nasser, who up to now has adopted an attitude of international brigandage, will become a law-abiding member of the United Nations and will assure all nations complete freedom in the use of the Suez canal?

Mr. Winch: Mr. Chairman, there are a few things I should like to say on the supplementary item now before us and I hope to deal strictly with the matter of the Suez canal itself. The Minister of Finance is asking the house for its authorization of a loan of $1 million for the clearance of the Suez canal. On the surface, and I think I can say almost fundamentally, we are in favour of the loan, but naturally a number of questions should be asked and answered before authorization is given.

The situation is very similar to what would exist if I approached you, Mr. Chairman, or any other member of the house and asked for a loan to rebuild a house that had been partially destroyed by fire. Naturally you would like to know how the building was going to be used and administered. We as members of the House of Commons are in the same position in asking questions on this estimate authorizing the granting of a loan. We all agree that the Suez canal must be cleared and reopened for all ship traffic, but when the government asks for authorization of a loan of $1 million then before such authorization is given we ask the government to give as full information as they possibly can on what their stand, position and policy are regarding the Suez canal once it has been cleared. As I said a moment ago, Mr. Chairman, if I were to ask you for a loan to rebuild a house or other building you would hesitate very much to lend me the money unless you knew the purpose for which the building was going to be used. You would hesitate very much unless you knew. You would not want it to be used as a bootlegging establishment, a house of ill fame or something not in the best interests of the community. The same thing applies with regard to the Suez canal, which is of such vital importance to all the world. When this government is asking us to authorize a loan for its clearance we should know the attitude of the government on the use that is going to be made of it once it is cleared.

I agree with a great many of the indications that have just been given by the Leader of the Opposition (Mr. Diefenbaker) with regard to Colonel Nasser himself. In my own humble estimation there is no question whatsoever that he has been overcome by his own verbosity, that he thinks he is now the rising, shining light of the Arab world and that he is developing an attitude—and one expressed in words—which is similar to that which was evident during the rise of Hitler in Germany. Hitler in Germany and Mussolini in Italy cost the democratic world a great deal in money and in lives. We cannot see it happen again. Now, when it is in the embryonic stage, is the time for democratic countries in parliaments like ours to make our opinions known.

We in this group definitely are of the opinion that, as members of the United Nations, as one that is making a major contribution in the emergency force and one that is now being asked to make a loan for the clearance of the canal, this country through its government should at this time announce its view on its operation once it is cleared. I think it is only logical and reasonable to believe and to say that a waterway such as the Suez canal, which is important to the entire world, cannot be left under the domination and subject to the whims of a would-be dictator or of one country. Surely it is reasonable and logical, having the future in mind, to ask the government whether, in asking for this loan and in view of the other expenditures that this government is obliged to make, they are prepared to state that in the United Nations they are either going to put forward or support international control of an international waterway as is the Suez canal.

As the situation is at the present time, the only way in which it is possible to have international control of an international waterway such as the Suez canal is under the aegis of the United Nations. Hence the first question we should like to ask in considering the supplementary estimates is whether that is the attitude of the government and whether they will press it with everything they have in the United Nations and, in so doing, of course, give a guarantee that no country is going to be discriminated against. I would think it is obvious to all that in the re-opening of the Suez canal we cannot rely on the word of Nasser or on the word of Egypt as we have known them for quite a while past. They have indicated already over a period of five years that if they have viciousness against a certain country, they will use their control of the canal to block that country.

It was my privilege a few years ago, Mr. Chairman, to visit the state of Israel. I want to say that it was not only a pleasure but an inspiration in the time that I spent there to see a people dedicated to building a new country out of rock and sand, and they were doing it. In my estimation Israel today is the only democratic bulwark in that part of the world. It is therefore our responsibility and that of the United Nations to aid and to assist them. When in their great work, with their great objectives, they are blocked by the viciousness and dictatorship of one country, because of the Suez canal, I say that is an indication as to what some country or what some individual or persons like him would do

to any other country—be it Great Britain, France, Canada or any other country—if we happen to get into their bad graces.

The Suez canal is of such great importance that such a situation has been protracted too long as far as Israel is concerned. We cannot possibly put any country in the position of facing a similar danger in the future. I speak as one who has been in that part of the world and as one who I think realizes the importance of national waterways. That is why we ask, through you, the Minister of Finance, the Secretary of State for External Affairs and the Prime Minister whether, in asking for authorization for a loan at this time, they will give us a guarantee—as I hope they will—or at least an indication of the position that the government is going to take on the internationalization of the operation and administration of the Suez canal and whether a demand will be made by this government that it shall be such that no country shall be discriminated against in its trading and international affairs because of the whim of a man, a government or one country. I am certain that if we can have some indication from the Prime Minister, the Minister of Finance or the Secretary of State for External Affairs on this matter, he will find that it will be accorded a great reception in this country and that it will give the leadership required at this time in the United Nations on a matter of great importance.

We certainly support the objective, the purpose, of this loan but we feel that this information is important and imperative.

Mr. Patterson: Mr. Chairman, this item we now have before us in the supplementary estimates calls to mind, of course, the whole tragic and humiliating history of the Suez problem, beginning possibly with the seizure by Egypt of this important waterway in violation of its treaty obligations. In fact, we could say that this tragic history goes back prior to that time when Egypt deliberately refused to fulfil its obligations in allowing passage of vessels of all nations through that canal. There are those who gloss over or even support the action by Egypt in nationalizing the Suez canal. They say she was in fact justified in taking over a canal located within the bounds of Egypt. But the fact remains that the treaty that was signed does not expire for approximately two years more. The action that was entered into at that time was in direct violation of that agreement.

I am sure we are all aware of the importance of this waterway to the economy of western Europe. I understand that approximately a half of the oil supplies of western Europe find their way through the Suez canal. The canal has been called the lifeline or the jugular vein of the economy of western Europe. I may say that the effects of the stoppage of the oil shipments were felt in France within a very few days after the canal was closed. Some of us had the opportunity of attending the NATO parliamentary conference, and we wondered just why it was that our hotel rooms were as cold as they were. Those who had a little time to spare and could not find other ways of occupying that time would remain in their rooms but they found they were too cold. Upon inquiring we were advised by the management of the hotel that oil was in short supply. They had placed their order as usual but had only received about 50 per cent of their regular supply. Rationing was going into effect and many homes were altogether without fuel. The people in that section were facing a very dreary and difficult period because of the stoppage of oil supplies through Suez.

I would suggest, Mr. Chairman, that the disgraceful display of bad temper, recrimination and retaliation over this situation has done nothing to establish confidence and goodwill amongst the nations of the free world. I would suggest, rather, that it has shaken the foundations of the free world in a very severe manner. We can understand how a situation like this could bring even the allies to a position where there are serious differences of opinion separating them. I was interested in reading a statement by the former president of the United States, Mr. Truman. In analysing the situation he said that interest in our own interests and in the interests of peace in the world should dictate that we never again allow ourselves to become separated from our allies.

There are many different phases that we must look at in connection with this particular item in our estimates, an item of $1 million to assist in the work of clearing the Suez canal. I say that before we even go that far there should be, as other speakers have suggested, some consideration given to the future status and use of that important waterway. Is the future use going to be dependent upon the whims of this sawdust Caesar as he has been called who, though defeated and discredited, has emerged as a god before whom Mr. Hammarskjold and the United Nations are bowing. A very interesting article appears in *Saturday Night* of January 5 with reference to this matter. Speaking of Mr. Hammarskjold it says:

> . . . Dag Hammarskjold, who has found the greasy Nasser too slippery for him. But Hammarskjold, although giving an appearance of dickering with the Egyptian dictator, has really been more of a messenger boy running between United States and Cairo.

A little farther down the article states:

Nasser, with the compliance of Hammarskjold (who referred to British crews of salvage vessels, as "enemy aliens") and the U.N., has managed to make low comedy of the Canadian resolution.

They are speaking now of the emergency force.

It is intolerable that a defeated and discredited dictator can impose conditions on an international police force. If he gets away with it (and so far he has), the UNEF idea is as dead as a pickled herring.

Possibly these are very strong words, Mr. Chairman, but I would suggest there may be more than a little truth in that article. I would suggest there must be a recognition of certain very important facts in a discussion of this matter. There is more to it than just an item in the estimates. I would suggest that the whole Middle East situation is tied up in a very real way with this action that is now proposed in clearing the canal.

The question of control has been raised. Who is going to control the canal after it is cleared? Prior to the nationalization of the canal it was operated by the Suez canal company. Then, Mr. Nasser got peeved and retaliated by taking over the canal and saying he was going to use it and operate it in the interests of Egypt. After the clearance of the canal, who is going to operate it? Mr. Nasser said he may find it necessary even now, unless his conditions are met, to halt the clearing operations. Apparently the United Nations, and some of our governments who are giving such complete support to the United Nations in this matter, are willing to let him dictate the terms. Whoever operates the canal, I would suggest that there must be a guarantee of the freedom of navigation for ships of all nations. This clause was in the agreement which was violated by Egypt in the refusal to allow passage of Israeli ships.

I recall back in the fall of 1954, when I had the privilege of being at the United Nations, a particular incident was under consideration at that time known as the Bat Galin incident. It was a matter of considerable concern at that time, but the principle involved was that the Egyptian authorities refused passage to Israeli vessels and on this occasion took possession of one. I would suggest as well that some attention should be given to the Soviet-Egyptian intentions. When I was speaking a few days ago I referred to an article written by James Cromwell, former United States minister to Canada. With reference to this particular matter of Soviet intentions, he had this to say:

The president was in a tough spot because of the elections. Sir Anthony's handling of the far eastern situation has been of the utmost value to all free countries. The British and French uncovered, captured and destroyed millions of dollars worth of top Russian war material, stockpiled in the east.

In doing this they blocked Russia's program for conquest in the Middle East. They also revealed to the world Russian plans to gain control in the east.

I know many here will not agree with the reference to Sir Anthony Eden. I was not stressing that particular aspect at this time, but the indication by Mr. Cromwell that that action did reveal the extent of Soviet intentions and plans in that area.

Then, we should like to ask the question, where do we go from here? Has that danger been completely destroyed; has it evaporated or are we still faced with that same serious problem?

I should like to refer to *Newsweek* magazine of January 14, 1957 where on page 16 under the heading "Danger Signals" I read:

East Berlin—The word here is that Egypt's President Nasser soon will send a delegation to Czechoslovakia to arrange for a second big arms shipment, including tanks, armored cars, and spare parts. In addition, 500 Egyptian army officers will arrive around February 1 to train in heavy-tank operation and jet-fighters and bombers.

Reports in the newspapers these last few evenings have referred to the continued supply of Russian materials to those countries in the Middle East. What is going to happen? Is any thought at all being given to this matter? What action is being taken? What safeguards are being provided? I think these questions are also of importance when we are considering an item like the one which is presently before us.

There are other problems to be considered. There is the problem in relation to the gulf of Aqaba, border guarantees and the United Nations emergency force. But over and above all of these hovers the great problem of the political settlement of the entire Middle East situation. We should not forget that these are what might be described as minor aspects of the over-all problem of the Middle East and if we cannot find a solution to the major problem the others will not amount to much.

With regard to the policy of the United Nations I believe I speak for a great many Canadians when I say that I am personally disturbed about the way the United Nations and Mr. Hammarskjold as secretary-general have been carrying on negotiations, conversations and activities with respect to the situation in the Middle East. It would appear that the United Nations policy is made up of a series of curt orders to the friends of the western world, to those whom we call our allies, and a policy of appeasement and collaboration with Colonel Nasser of Egypt.

I would like to know what other nations are doing with regard to the request for assistance in the clearing of the canal. What is the Soviet union doing? What is India doing? What nations are participating in what we might call the preliminary advance for the purpose of clearing the canal? I think that information would be of assistance to us.

In conclusion I would like to pose a final question. On what is this advance being made? Is it an advance on a greater sum that we will be asked to contribute at a later date? I believe the Minister of Finance originally suggested it was a contribution and then he changed that expression and substituted the word "advance". He has suggested it is a loan. Well, just what is it? Is it, as I have already inquired, an advance on a larger contribution we will be asked to make at some future date? Will it be in the form of a loan? How will it be repaid and who is going to repay it? Someone has said it is just an item of $1 million. I suggest it is more than that because it relates to one of the greatest problems which confronts us at the present time.

Mr. Harris: Mr. Chairman, to go around in reverse order, I might answer the last question first. The hon. gentleman would like to know whether this is a loan or an advance and if we are likely to be called upon to advance more money at a later time. I wish I knew the answer to that question but no one does know it as the present moment. As I said last night, this is an advance to put the secretary general of the United Nations in funds for the purpose of paying the interim costs of the clearing of the canal. It is an item of $1 million out of a total of about $10 million that he thinks he should have at the earliest possible moment. He has asked certain countries who are in a position to contribute United States dollars, because this is the basis of our contribution to the United Nations, for that sum. The United States have already said they would contribute $5 million. Norway has intimated that she will contribute $1 million.

Mr. Knowles: Advance.

Mr. Harris: Yes, advance. We have spoken of the $1 million in the vote and several of the western European countries have also said they would give consideration to the matter and advise the secretary general very shortly as to the amount they would be able to advance. In fact, in all cases they have intimated that their government was favourably disposed to doing something to make up to $10 million.

As to the future, my understanding is that something like this will occur. The United Nations will debate this matter at the current session and come to some conclusion either as to further interim financing or an assessment for the cost of the whole job and if that assessment is spread over all the members of the United Nations no doubt Canada will then be assessed for a sum of money. Whether it will be at the rate of our normal contribution of something between 3 and 4 per cent or whether it will be a different sum I would not be able to say at the present time, but if a further assessment is made of course we shall have credit for the $1 million on that assessment. On the other hand, if the secretary general feels that he can arrange the financing in some other way before the job is completed, in all probability he would then repay us the $1 million pending a final decision as to what our contribution ought to be in the end.

Now, to go back over the other questions—

Mr. Patterson: I wonder if I could ask another question at this point. Is Egypt going to be required to contribute anything to the clearance project?

Mr. Harris: Mr. Chairman, the resolution has not been discussed before the United Nations. I would not be in a position either to say what the ultimate resolution would be or even to suggest the probability. I know a great many opinions have been expressed as to who might or might not be asked to pay for the cost, but at the present time I do not think any useful purpose would be served by our discussing that or expressing our own opinion at least for the time being.

The other discussions on this item ranged not only up and down the canal but off on to the mainland. I did not want to interrupt the Leader of the Opposition to suggest that he was not in order when he was speaking of the Gaza strip and other aspects of the current dispute between Israel and the Arab countries. However, I would not want to pass over any of the remarks he has made without some very brief reference to every matter he mentioned, although I think we ought to confine the discussion to the canal as such and the clearing thereof.

I think our position with respect to the Gaza strip is quite simple. Eight years ago the United Nations established certain armistice lines which brought to an end the hostilities which were then proceeding. Since that time everyone has recognized that a political solution to all the problems in the Middle East and in particular the dispute over Israel is highly desirable. I am sure that everyone in Canada would feel that if the United Nations could bring out of its present meeting or even out of protracted negotiations

over several months solutions which have not been attempted in some parts at all during the eight years, then a contribution of that kind and a good deal more might be justified. Peace in the Middle East, in my view and I think in the view of the government of Canada, depends on getting a political solution to these things which have been left in an uncertain state since 1948.

There is no question in my mind about the view the people of Canada would take about that settlement and that it ought to result in a recognition of the state of Israel by the Arab countries surrounding that state. We then ought to go ahead with our economic life without all the great expense to which all those countries have been put over the years in maintaining military establishments and thereby draining what might be a prosperous world of some of its means for improving the standard of living of the people.

The Gaza strip is not an issue in the vote before us. I can only say that we recognize it is one of the more current difficulties and it is hoped that the present negotiations going on at the United Nations will find some means of assuring that there will not be any form of chaos or lack of authority in that area during the course of the negotiations which might extend for some months.

The Leader of the Opposition has asked me to assure the committee that Nasser will be a law-abiding member of the United Nations. I am afraid that I am not in a position to sign any note of that kind.

Mr. Diefenbaker: I did not ask you that.

Mr. Harris: That was the concluding appeal, that the government give assurance that Nasser would become a law-abiding member of the United Nations.

Mr. Hodgson: Why not?

Mr. Harris: It would be our desire that every member of the United Nations would be a law-abiding member thereof, but I do not think I should be expected to give any assurance of that kind. I do want to give the assurance that coupled with the vote of $1 million which I hope the committee will approve we will reiterate the position we have always taken on this matter, that is that the Suez canal shall be free to everyone without discrimination in its use. What form the operative part would take is still a matter of great concern and indeed may not be foreseen at the present time, but the United Nations resolution saying that this waterway shall be open to all users is not only endorsed by Canada but will be endorsed by Canada and insisted upon in so far as we have the ability to do so.

I do not think that I can answer in particular detail many of the other questions that have been asked. There was one question directly affecting the money side which I might refer to briefly. The Leader of the Opposition wanted to know if there was to be an apportionment of the responsibility. He wanted to know also why it was that we were called upon, to use his own words, to make a disproportionately large contribution to the present financing. I think that is what he had in mind. If I have not explained that clearly I will repeat.

The appeal for immediate funds was made to those countries which in the opinion of the secretary general could most easily, both financially and legislatively, provide the money at the earliest possible moment. We recognize that one in ten is a larger contribution than we are called upon to make in almost any other phase of the United Nations. In most cases our percentage contribution is less. But it is for the very reason that this is not an assessment but rather merely an appeal for funds that the amount we are presently asking parliament to vote is larger than we would normally be expected to give.

I think the Leader of the Opposition also wanted me to say something about certain guarantees which were made back in 1951. All I can add to what I have said already is that I would hope that out of the present session of the United Nations will come an acceptable solution or at least some method of determining an acceptable solution which might not be precisely in the form of the guarantees of 1951 or those of 1948 but which would nevertheless be a means whereby these difficulties along the Israeli and Egyptian borders could be resolved.

Under these circumstances I regret that I cannot go further. I do appreciate the remarks that have been made by all speakers, each one of whom I think has admitted that we ought to do this, and that the economic advantage in clearing the canal and having trade resumed and costs reduced in Europe, in fact in Asia and all shipping countries, would be of great advantage and would be a real contribution to the resumption, not only of normal trade but of that feeling which gives rise in some cases to political settlements which otherwise would not be so easily reached. If I have omitted anything I shall be glad to attempt to answer what I have missed.

Mr. Michener: Mr. Chairman, may I ask a further question. It has been said already, and I think it is true, that all of us would welcome the clearing of the Suez canal and more particularly the assurance that it will be free for international use. These funds

which parliament is being asked to vote as a loan will presumably be spent under the direction of the assembly. Could the minister or his colleagues give us any information as to the debts which have been incurred for which this money is needed; who is doing the work; to whom this money will be paid for the clearing of the canal? We read in the press about what salvage boats and equipment are being used. Is British and French equipment being used and, if so, by what means? I think it would be helpful if we could have such information as the minister can give us as to the purposes for which this money is being spent currently and how the canal is being cleared.

Mr. Harris: The canal is being cleared by the United Nations.

Mr. Michener: Is it being done under the direction of the assembly or has the security council anything to do with it?

Mr. Harris: It is under the direction of the assembly. Brigadier General Wheeler is in charge of the operation and has almost complete authority, if not complete authority, for that purpose. He is employing any persons or any construction or salvage companies that he can obtain. At that time, as I said last evening, it was hoped the work could be completed in three or four months. The expenditure which we are trying to provide will be used by the secretary general, as trustee, through Brigadier Wheeler and the organization he has set up. I understand there will be some British ships and personnel being used to the best advantage in the work on the canal.

Mr. Stewart (Winnipeg North): Mr. Chairman, in common with other members in this group we welcome the minister's statement, but in one phrase he used I think he said either too little or too much. I wish he would enlarge upon it. We all want to see the Suez canal open to all countries, and that is government policy, too; but supposing Colonel Nasser is not prepared to open it to all countries. Then, according to the minister's remarks, the freedom to use the canal might be "insisted upon". Would the hon. gentleman care to enlarge on that statement?

Mr. Harris: I thought it was clear, Mr. Chairman, that we have approved the United Nations resolution that there should be no discrimination in the use of the canal and that we would take the opportunity, when we remitted the $1 million, of emphasizing once again that we thought this should be the conclusion the assembly should reach in dealing with this resolution.

[Mr. Michener.]

When I used the word "insist" I meant it only in that sense, the sense of repeating again the argument we have used. I was not suggesting any sanction in connection with the $1 million, because we shall be paying this over at the earliest possible moment, but I mean that in doing this we shall emphasize again our concern that the canal must be free to the ships of the nations concerned, and that the resolution heretofore passed should be insisted upon in the United Nations in any future discussion as to the use of the canal.

Mr. Hahn: The Minister of Finance has indicated in his remarks that the United States, Norway and several west European countries have agreed to make loans. Is he in a position to tell us what amounts they will contribute, and what countries they are?

Mr. Harris: Yes, Mr. Chairman, as I said, the only country which has actually given a figure is Norway, but the following countries are now engaged in the same processes as this house is engaged in, namely determining what they may do: Australia, Sweden, Denmark, The Netherlands, West Germany and Italy. We have had some preliminary announcements from the Italian, Danish and Swedish governments that they were favourably inclined toward the proposal, but that is as far as I can go.

Mr. Pearkes: How is it that the United Kingdom, France and Italy, who are most concerned with the results of these activities, have neither made nor been asked to make any contribution?

Mr. Harris: I think the hon. member will see that in some cases it is desirable that these things should be done by nations which, while interested in results, might not possibly be accused of having had any part in what brought about the discussions we are now undertaking.

Mr. Green: Mr. Chairman, the Minister of Finance has treated this question as though everything were lovely and there were no obstacles in the way of success. He implied that it was just a matter of a little persuasion and a little bit of delay until the canal is opened again and all the trouble would be at an end. In the meantime Canada is going to pass out a mere million dollars to bring about this result. One might almost be excused for thinking the ministers were putting up this million dollars themselves. That seems the attitude of the Canadian representatives on this question, they make big fellows of themselves by having Canada contribute what is obviously an amount far in excess of what she should contribute.

Mr. Harris: I carefully said, every time, that we are asking parliament to do this.

Mr. Green: Oh, "asking parliament to do it". There is no doubt about what the members sitting behind the minister and supporting him on this side of the house will do. The responsibility goes right back to the cabinet. Canada is advancing far more than her proper share, and I repeat that in effect the ministers are making good fellows of themselves at the expense of the Canadian taxpayer. This situation is just not as simple as the minister has made it appear.

I have here an extract from the *U.S. News and World Report* of January 25, 1957, which has this to say with regard to the situation in Suez:

In that Middle East tangle, here are things to keep an eye on: Suez canal clearance is to be far enough along in March to let some ships through. One issue is whether Nasser will let British, French, Israeli ships go through.

Obviously that has not been settled yet. The minister said this afternoon that the government of Canada would press for the free use of the canal by all nations, but it is perfectly clear that this man Nasser has not yet agreed to that; in fact he has been making threats that if certain conditions are not adhered to, British, French and Israeli ships will not be allowed to use the canal. The dispatch in the *U.S. News* goes on:

Another issue: will tolls be paid to Nasser? Test may come with the first ship to try transit. The west is getting braced for this test. Price of clearing canal remains to be settled. U.S. has advanced $5 million. Others have hung back. Who will pay, and how much, are the questions. U.N. police force may have to take on more jobs. It may be asked to police Gaza strip and gulf of Aqaba. Israel now holds these strategic areas. Egypt claims them. U.N. will have its hands full with this dispute.

This house should be told what stand Canada is to take with regard to Egypt paying something toward the clearing of the canal. After all, who was it blocked the canal in the most malicious piece of sabotage in many years? Egypt deliberately blocked this canal, with the result that it will cost somewhere around $30 million or $40 million to clear it. However, there was not one word from the government today to suggest that they believe Egypt should pay at least some of this amount, not a breath of any such suggestion. Canada is rustling around and raising $1 million. The Americans are putting in $5 million, and they should put up 15 times as much as Canada. There is no reason why we should pay one-fifth as much as the Americans for this or any other similar project.

Nasser, the man who has brought about most of this trouble by breaking his agreements and by flouting the resolutions of the United Nations through the months and the years, is to get off scot-free, while the people of Canada are being asked to pay the shot. That is exactly what I said would happen when I spoke during the session last November. It is perfectly clear that we have now reached that situation, and I think instead of the minister getting up in a wishy-washy way and trying to get this vote through on soapsuds, a representative of the government should get up and say exactly what Canada believes should be done; and it should be insisted that this man Nasser should pay at least a reasonable proportion of the cost of clearing the canal. It is all very well to expect the people to pay and pay and pay, regardless of who is at fault.

In this whole deal it seems that the democratic countries, the ones that will follow the rules laid down by the United Nations, are those who will get all the abuse and all the insults, and then have to pay the shot. That is the position we are facing in this parliament today; a few words of maudlin sympathy for Israel, while at New York the Canadian representative is insisting that Israel must get out of the Gaza strip and away from the gulf of Aqaba before anything can be done. Could there be any situation more ridiculous?

I come now to another point. I ask the Minister of Finance or the Prime Minister to give the house some definite assurance with regard to what is to happen to this United Nations emergency force. There is a statement in the press this morning. One thing about these dictators—Hitler was the same, and Mussolini was the same—they always tell us exactly what they are going to do, and we never believe them; we always think it is too bad to be true, and we bury our heads in the sand. Then we wake up to the fact that they have actually done what they said they were going to do. Here is what appeared in the press this morning under the heading, "UNEF Won't Stay".

Cairo—Deputy foreign minister Fattah Hassan—

He is an official of the Egyptian government.

—said in an interview that "the United Nations emergency force will not remain in Egypt after Israel has withdrawn from Egyptian territory". In the interview, published in the newspaper Al Massaa, he said: "UNEF will not remain in Egypt after completion of the mission entrusted by the United Nations regarding the withdrawal of all aggressors behind the armistice lines."

They have taken that stand from the start and the democratic nations have given in all the way through. We were led to believe when this force was first raised that it would be kept largely in the Suez canal area in order to see that there was free transit through

the canal. We thought that the force was to act to bring about a final settlement of the question. But right through the piece Nasser has got everything he wished. He said that he would not have the force in the canal area and the troops had to go out into the Sinai desert. That is where they are now. He said he would not have the Queen's Own Rifles in Egypt and the Queen's Own Rifles went back to Calgary from Halifax, with alibis made by the Canadian Prime Minister and other members of the cabinet.

In the order in council passed on November 20, 1956, authorizing the sending of Canadian troops we find this paragraph:

> And whereas member nations were invited to contribute self-contained battalion groups to which Canada agreed, as a result of which preparations were made to assemble such a force for dispatch in part by air and in part by H.M.C.S. *Magnificent;*

And so on. It was battalion groups that the United Nations wanted, but Nasser said there were not going to be any Canadian infantry troops and they were not sent. Every step has been dictated by Nasser. I think we are entitled to know now just what Canada is going to insist upon with regard to the United Nations emergency force. Is that force to remain in the Middle East until there has been a settlement of the boundary dispute between Israel and the Arab nations? Is it to go into the Gaza strip? Is it to go to the gulf of Aqaba? Is it to have any responsibility in the Suez canal area?

These are the sort of things the house should be told. If that is not the intention, then it is perfectly obvious what will happen. Israel, by the force of opinion built up by the nations that are opposed to her and want to see her wiped out, will be forced to get out of the Gaza strip and the gulf of Aqaba area. Then, following the same course that has been followed right through, Nasser will demand that the United Nations emergency force be withdrawn. The same nations that have been demanding that Israel withdraw will then demand that the United Nations emergency force withdraw and Nasser will be in complete control, built up to a position of dominance in that area far greater than Mussolini or Hitler ever achieved and built up primarily by the backing of the democratic nations, including Canada.

If that is the position that is to come about and if the Canadian government is going to sit back, do nothing about it and just let things drift, I suggest it will be a great tragedy. It will be out of line with the whole character and background of the Canadian people. The Canadian people are people who make their position known. They believe in taking a stand and making their position known. I am sure they are not behind the government in the pussy-footing on this question, their policy of hanging back and trusting that everything will work out in the long run.

The Minister of Finance has not been able to give us any definite assurances, and I hope the Prime Minister of this country will rise from his seat this afternoon and assure the house and the country that Canada is going to take a determined stand to see that Nasser is not allowed to get away with any more of these dictatorial moves. Canada has taken a very large part in the United Nations emergency force, a part far in excess of what she was obliged to do. About one fifth of the troops in the force are from Canada even though none of them are infantry troops. I hope the Prime Minister will make it clear that Canada is going to insist that the United Nations emergency force remain in the Middle East until the question of boundaries has been finally settled and until free use of the Suez canal has been assured to all nations of the world.

Mr. Pallett: I want to ask a question of the Minister of Finance who apparently is now taking the responsibility with respect to international affairs.

Mr. Harris: No, just supplementary estimates.

Mr. Pallett: I notice that the amount of the item is $1 million. In his statement the minister said that the fund was $10 million in United States funds. Is he saying to the house that it is $1 million in United States funds or should the correct figure be less than $1 million?

Mr. Harris: The $1 million will be Canadian funds translated into United States funds, with whatever result may come.

Mr. Pallett: If that is the situation can the minister tell us what will happen to the difference of $40,000 odd? What will happen to that money?

Mr. Harris: Nothing. We have $40,000 to our credit on the advance.

Mr. Diefenbaker: Mr. Chairman, this afternoon we have been trying to get some information on the question of what Canada's stand is going to be on this matter at the United Nations and so far we have not been able to get any information. A moment ago the hon. member for Vancouver-Quadra asked the Prime Minister to let the house and the Canadian people know what attitude Canada is going to take on the question now

before the United Nations. Are we going to ask Israel to evacuate the Gaza strip and leave these islands and rocks in the gulf of Aqaba area without any assurance that the United Nations emergency force will move in and do its part to preserve the integrity of Israel?

I think we have a right to know that because all of this is intertwined with the situation on the Suez canal. This $1 million vote, this loan, simply underlines the degree of parliament's ignorance of what is going on or what stand is to be taken by Canada at the United Nations. In the last ten days or so the stand taken has been one of vacillating retreat from reality. What we have the right to know, and from the Prime Minister, I take it, in the absence of the Secretary of State for External Affairs, is what stand Canada is going to take.

The other day I asked a question on the orders of the day and I was not able to get any information at all. Is Canada going to stand idly by at a time when the authority of the United Nations has been challenged and disregarded by Nasser and demand unconditional withdrawal on the part of Israel while at the same time allowing Nasser to be an undischarged bankrupt with respect to his responsibilities to carry out the 1951 orders of the security council?

Mr. Chairman, what is happening in the Middle East today is almost a rewritten version of the retreats that were taken in 1936 in the league of nations and which ultimately and inevitably led to war. There is nothing more serious that can come before this parliament than a matter such as this. Nasser has simply defied everyone. He has defied the United Nations. He has laid down the terms. He has said, "These are the terms upon which a police force will operate against me". We ask what stand Canada is going to take. We are driven to find that stand on the basis of speeches made outside the House of Commons.

In the next two or three days decisions will be made. The United Nations assembly is adjourned in so far as a decision on this matter is concerned. We have a right, Mr. Chairman, to know what Canada intends to do. We are asked to vote a $1 million loan to help clear the canal and we have no assurance that when the canal is cleared, Nasser will not close it again. We have no promises. We have nothing except uncertainty. Through you, Mr. Chairman, I ask the Prime Minister to let the country know where Canada stands on this matter, for up to the present time the most discerning eye cannot follow the stand taken by Canada in the United Nations in this regard. I ask the Prime Minister whether he will now tell the house and the country what is going to be done to assure, first, the maintenance and continuance of the United Nations by assuring that its directions will be lived up to; and second, whether this is a unilateral responsibility to which any nation may object as Nasser has done.

What assurance has the secretary general received from Nasser that, when the canal is opened up, the ships of Israel and the ships of Britain and France will not be subjected to the type of intimidation that existed from July last until November? Unless we have some assurance like that, what we are doing today is simply postponing the day of responsibility by the simple expedient of lending $1 million, not knowing how it is going to be used or, when used, what the result is going to be. In addition, we have the right to know whether the United Nations emergency force is simply to be a body whose destination is determined by the wrongdoer, whose membership is to be determined—as it has been to date—by the wrongdoer and whose tour of duty is to be dependent on his whim. Through you, Mr. Chairman, I ask that the Prime Minister clarify this situation. The present prospect holds dire fears for the preservation of peace not only in the Middle East but throughout the world.

Mr. St. Laurent (Quebec East): Mr. Chairman, the hon. gentleman wishes to know what Canada's position is going to be. Canada's position has been stated in a speech of five and a half pages, a copy of which I obtained through a dispatch and of which mimeographed copies are said to have been sent by bag last night and which will be available. Summary reports of that speech have been made in the newspapers, and I do not think I shall attempt to read it into the record.

Mr. Green: Why not tell us in your own words?

Mr. St. Laurent (Quebec East): No. I am not going to attempt to tell in my own words the contents of the speech.

Mr. McGregor: You don't know how.

Mr. St. Laurent (Quebec East): I did not catch that last remark.

Mr. McGregor: I said that you don't know how.

Mr. St. Laurent (Quebec East): Perhaps the hon. gentleman will endeavour to get my place at the coming election and he will know how a lot better than any of those who have had responsibility for public affairs.

Mr. McGregor: I could do just as good as you do. You stand up there like a dummy and you will not even answer the questions.

The Chairman: Order.

Mr. St. Laurent (Quebec East): I am not going to attempt to speak if that is the attitude.

Mr. McGregor: You don't know how. I said that you don't know how.

The Chairman: Order. The hon. member must realize that the hon. member who has the floor may not be interrupted without his consent. Shall the resolution carry?

Mr. Diefenbaker: No, Mr. Chairman. One does not want to annoy the Prime Minister, and interruptions do on occasion annoy him. Will he now proceed to tell the house and the country in summary—and if not in summary, then in detail—what the stand is so that members of parliament will not be obliged to wait for the daily press for statements made elsewhere in order to ascertain the course that Canada's government is taking? Would the Prime Minister do that?

Mr. St. Laurent (Quebec East): I am not going to attempt to repeat from memory the language used by the Secretary of State for External Affairs, and I do not think it would be of much advantage to read it into the record at this time. It is a speech that was made publicly.

Mr. Diefenbaker: When was that?

Mr. St. Laurent (Quebec East): Yesterday morning. Copies may have arrived already. As soon as they arrive I will communicate to the hon. gentleman a mimeographed copy of the speech that was made there and in which the Secretary of State for External Affairs stated just what was the position he was taking as being the position of the Canadian government.

Mr. McGregor: After we vote the money.

Mr. Diefenbaker: Could the Prime Minister epitomize it? It is a simple question. Is Israel to be placed in a position that, having evacuated, the United Nations force is not to stand as a guardian against future guerrilla aggressions on the part of the Arabs?

Mr. St. Laurent (Quebec East): That is not the position taken by the Canadian government.

The Chairman: Order. Excuse me, but may I interrupt both hon. members at this point in order to do what I perhaps should have done earlier. As the Leader of the Opposition has said, certain of these matters are inextricably intertwined and it has been extremely difficult for the chair this afternoon to determine the exact moment when we have departed perhaps too far from strict relevancy. I think hon. members will agree that I have been rather lenient in that respect. However, I think that any questions which are asked and any replies which are made should relate, as our rules require, to this particular item. I would therefore ask hon. members to direct their questions to this item which is as follows:

Loan to the United Nations Organization to help finance the clearing of the Suez canal.

I would also ask hon. members to whom the questions are being directed to give their answers having in mind the same strict ideas of relevancy. I would therefore ask hon. members on both sides to co-operate in trying to observe our ideas of relevancy when we are discussing what is, after all, an item in the supplementary estimates.

Mr. Green: Through you, Mr. Chairman, may I suggest to the Prime Minister that it is not a very satisfactory state of affairs if the House of Commons is compelled to find out what the stand of the Canadian government is either by getting a multigraphed handout a day or two after debate has taken place in this house on this question or by reading it in the newspapers the next day. If the Prime Minister does not wish to state the policy today in his own words, I think we are entitled to have him read into the record the speech that was made in New York by the Secretary of State for External Affairs.

The Chairman: I presume the hon. member for Vancouver-Quadra has just risen to make further representations on the point of order which I was trying to elucidate. I would feel that any answers which were made to questions or any debate which took place at this time could only be relevant to the exact item under consideration. So long as we adhere to the rule of relevancy, which all hon. members well know, then we are proceeding in an orderly manner. Otherwise, I do not think it is appropriate to discuss certain questions at this time. This is an item in the supplementary estimates and we are, of course, governed by the rule of relevancy.

Mr. Green: On the point of order, I might say that the Minister of Finance has made a statement today and members on this side of the house have made statements. The debate has continued in the ordinary way, and in accordance with the rules of the house. Now, the Prime Minister has risen to reply and to make his position clear. I submit to Your Honour that surely it is in order for the Prime Minister to do that. I do not understand on what basis you could now rule that when it comes to the Prime Minister's reply he cannot reply because he will not be in order. If that is the case, it reduces the debates in this house to a farce. I suggest the Prime Minister has a right to reply. He has been in parliament for a long

time and is well able to decide what is relevant and what is not. I do not see why he should not be permitted to read into the record the speech which was made by his Secretary of State for External Affairs in New York.

Mr. Harris: On the point of order, Mr. Chairman, you may remember that I opened my remarks by pointing out that the Leader of the Opposition had wandered farther afield than I thought he might have, but without my interruption, in reference to those things I felt were outside the scope of the vote. I did that out of courtesy, rather than interrupt him, but it does seem to me that, while I would not be the one to suggest the Prime Minister ought not to say what he feels is in the public interest, the point I made originally is the one you are trying to draw to the attention of the Leader of the Opposition that any matters other than those connected with the canal are really outside the present issue. One of the two questions the Leader of the Opposition addressed to me more recently had to do with the situation in Israel, unconnected with the canal. I said that, subject to these remarks—

Some hon. Members: No, no.

Mr. Harris: —the whole question of whether or not the UN force will take over the Gaza strip has nothing very much to do with the clearing of the canal.

Mr. Diefenbaker: It is the brevity of the answers that causes the curiosity of the opposition. Possibly I might ask the question this way, Mr. Chairman, without in any way agreeing that we are out of order in the questions we have asked. Will the Prime Minister tell us what stand the Secretary of State for External Affairs took yesterday at the United Nations with reference to the question of the canal, the protection of commerce on the canal, and the degree to which he insisted on assurances that when the canal is opened up Nasser will not again defy the United Nations and deny the free nations of the world the right to use the canal?

The Secretary of State for External Affairs has been dealing with that matter. We tried to get that information in parliament, but we could not get it. This is the first opportunity we have had to ascertain the facts. At the moment, I am directing my question to the Prime Minister as to the representations made by the Secretary of State for External Affairs on behalf of Canada in connection with the canal matters. I ask him what stand is being taken by the Secretary of State for External Affairs on behalf of Canada in this very important matter?

Mr. St. Laurent (Quebec East): Mr. Chairman, I think that without infringing the very wise interpretation of the rule you have stated it is probably possible to say why this vote is being recommended to the Canadian parliament. There was a resolution adopted, in which Canada participated with a large number of other members, giving authority to the secretary general of the United Nations to proceed as expeditiously as possible in organizing the work of clearing the canal. In doing that he made commitments, on behalf of the United Nations, to those who have been doing very efficient work up to the present time in clearing the canal.

This being the case, we thought that we should continue to lend our support to the conduct of the secretary general in trying to bring about a settlement of the mid-eastern problem in a manner that would avoid the outbreak of war again in that region. It is because we still have confidence in the efforts that are being made to that end by the secretary general that we decided to recommend to parliament that this advance of $1 million be made as an advance without any commitment as to who should ultimately have to pay the cost of that necessary job, or the job that seemed to us to be necessary, and bring about a situation where a political settlement would not go back to the situation prior to last October, but would be a situation that would make for peace in the area with some reasonable assurance of permanency. It therefore is not foreign to the reasons for recommending this vote to the house to envisage the possibility of this being helpful to the realization of the objectives of so many of the members of the United Nations.

Now, the stand that was taken yesterday by the Secretary of State for External Affairs on behalf of Canada was that, under the terms of the resolution that had been adopted, priority was to be given to the withdrawal from the areas that had been—I do not want to use the word in a sense that would imply blame in any way—occupied by Israeli troops. It was felt that was not enough to comply with the real effect of the resolution that had been adopted; it was not enough to bring about a situation that would be merely the restoration of what took place before the occupation of those areas by Israeli troops, but it had to be something that would prevent those areas from being used again for the threats to Israel to which they amounted, and the raids that were being manned from those areas. It was felt that was something that must be considered at the same time as the general assembly was considering the report made by the secretary general that Israeli troops had not made a withdrawal

from the Gaza strip or from the shores of Aqaba; that possibly as a matter of the right priority the withdrawal should be required first but should be accompanied by measures that would assure that there would not be merely the restoration of the preoccupation condition, but that there would be such measures as would provide for the security of Israel in respect of the raids which formerly had been launched from the Gaza strip or the Sinai desert and also the assurance of free passage through the canal to all shipping. That is the theme which the Secretary of State for External Affairs developed in his speech yesterday and the hon. gentleman will see in some of the headlines in the Ottawa newspapers tonight that there is very substantial support for the attitude taken by the Secretary of State for External Affairs in that speech of yesterday morning.

The resolution that will follow is now being discussed. The hon. gentleman knows, as I do, that whatever we may feel our position to be, Canada cannot dictate what the resolutions adopted by the general assembly will be. There has to be an affirmative vote of two-thirds of the membership to carry a resolution and we know, and I am sure the hon. gentleman knows, that many discussions are taking place at this time between these various delegations to get the kind of resolution that will conform with the position expressed in the speech of the Secretary of State for External Affairs yesterday morning, and that will have the support of a two-thirds majority and that will reassert the statement that the Israeli troops should withdraw, but will be accompanied by further statements that immediately following the withdrawal such and such dispositions will be taken to prevent the situation from remaining no better than it was before the occupation of those areas.

The suggestion is being made in strong terms by a number of delegations that the United Nations emergency force should police that whole area for such period as might give time to bring about a settlement that will make for—I perhaps should not say permanent peace in the area but will make for stability—and for the removal of the immediate threats of the resumption of hostilities.

Mr. Green: Would that be only with the consent of Egypt?

Mr. St. Laurent (Quebec East): If Egypt resists, the only alternative would be a resumption of hostilities, and what is being attempted is to put such pressure upon all the parties that there will be something that will not require or will not be the occasion for the resumption of hostilities. It is because we feel that the resumption of hostilities would be disturbing to the whole world including Canada that the Secretary of State for External Affairs is doing his best, as are many others, to bring about a situation where security can be achieved without a resumption of hostilities, and that can be achieved along the lines he has stated, the security of Israel against the raids that came from that area and the right of all nations to make use of the canal.

As to what will be the ultimate way in which the funds will be raised: Will it be an assessment against the members of the United Nations? That has been suggested and it does not seem to have very strong prospects of being the solution adopted. Another solution is extra or supplemental tolls paid by the users of the canal to provide through those supplemental tolls the amount that will have been expended to clear the canal and to make it open for shipping generally. These things cannot be brought to a head quickly. It has always been our experience in drafting, when several are concerned that not every mind envisages the proper way to express the proper ideas in the same fashion and in the same language, and these things take time. When you have to have two-thirds of 80 in favour in order to get an effective resolution, it takes some time and some negotiation to have them all agree that the proper words, the proper punctuation and the proper order of expressing the decisions are contained in the document submitted. That is work with respect to which the Secretary of State for External Affairs has had quite a lot of experience. I am not asking hon. members opposite to share that admiration but I know the Secretary of State for External Affairs has won much admiration from other delegations at the United Nations for what he has been able to do in that respect. To make a positive statement and say, "It must be this or we are not going to support it," is not apt to bring about the adoption of a resolution supported by a two-thirds majority of the 80 members of the assembly. That is the situation as it stands at the present time and I hope it will mature into a resolution that will have the required support from many quarters. I appreciate, of course, that it is rather unpalatable for hon. members of this house to have to learn what is being said or done elsewhere but it must be realized that it is the "elsewhere" that is the forum where the resolutions are going to be discussed and adopted.

Mr. Diefenbaker: Yes, but it is Canada that is being bound by them, and Canada's parliament should know.

Mr. St. Laurent (Quebec East): If Canada's parliament is to be told beforehand what will be the unalterable position of the Canadian delegation I would not expect Canada to participate in many resolutions the general effect of which may be of advantage, though not exactly in the line that originally would have been proposed by Canada.

I think the hon. gentleman will recognize that what I am saying will accord with what he himself has observed on more than one occasion when he has visited the assembly halls either of the security council or of the general assembly of the United Nations. The government is not in the same position in the United Nations as it is in the Canadian parliament. In the Canadian parliament it can put forward its proposal and if the proposal is not adopted the government stands defeated and another government is called in to take its place. At the United Nations that is not the situation. If the Canadian delegation takes a stand as an unalterable stand and it is not acceptable to a majority of two-thirds of the 80 members of the United Nations, the resolution is just not adopted. Under present conditions I think it would be a very sorry result for the United Nations. I hope hon. members will feel, as I do, that if this situation can be cleared up in a satisfactory way through the actions of the United Nations the prestige of that body will have been greatly enhanced and the confidence of the world at large in that body and its efficiency will have been greatly increased.

That is what we have been trying to do; that is what we have been trying to bring about. It is true that if this were to be a contribution or an assessment of what Canada might be expected to pay for the clearing of the Suez canal it would be out of proportion. It may be that our contribution to the United Nations force is out of proportion, but after all the general who has been chosen as the commander for the United Nations is a gentleman of Canadian citizenship for whom I think we all have admiration and whom we felt it would not be the desire of the Canadian people to let down in his efforts to discharge successfully the responsibilities that have been placed upon his shoulders by the United Nations. That is the reason this government has endeavoured to meet the requests made by General Burns as to the kind of assistance he would feel he should have from Canadian personnel with whom he was of course more familiar than he would be with personnel supplied by other nations. It was for that reason that there were these alterations made in the original plan. My hon. friends on the other side say that it is because it was at the dictation of Nasser.

Mr. Diefenbaker: That is what Nasser says; that is admitted also in the United States.

Mr. St. Laurent (Quebec East): There are many who say it was at the dictation of Nasser but there are others who believed it was better to compromise than to resort to a resumption of fighting in that area. That was the alternative.

When you can bring a man like Nasser, whom I have never met and about whom I have had very conflicting appraisals by different persons, all of whom I think were speaking in perfectly good faith, to a kind of compromise that is tolerable and that will assist in reaching the final objective without the resumption of armed hostilities, that I think is an achievement.

Mr. Green: What compromise has he made as yet?

Mr. St. Laurent (Quebec East): I do not know that it would be of any value for me to attempt to go over the details of the discussions that have taken place with Nasser in regard to this situation. If the hon. gentleman feels it would have been better for the free countries to resort to armed force to impose their will as to what they thought would be the best solution, then I cannot agree with him. On some occasions that may be the only way in which results can be achieved, but when there is any other way, even though it may require a lot of negotiation and a lot of changed commas or words in a resolution, there is a real achievement when progress is accomplished without resort to the force of arms.

Up to the present considerable progress has been made. It may be that there should have been greater care exercised in the drafting of the original resolutions of November 2, 1956, but they do cover the whole area. It may be that because one paragraph came before another it makes it necessary to deal with what was in the preceding paragraph before dealing with what was in the next paragraph, but if they are all dealt with in the same document and by the same resolution I think the order in which they come in that document and in that resolution is not as important as the avoiding of the resumption of armed hostilities.

Mr. Diefenbaker: Mr. Chairman, there is no one on this side of the house who would desire to see a resumption of armed conflict. In no question that was asked here this afternoon was there any possible suggestion that that would be the preferable course. What we are trying to do is to secure some information as to the stand being taken on behalf of the Canadian people with the objective in mind of securing peace in the Middle

East. We advanced the idea that before there should be any evacuation on the part of Israeli troops from the Gaza strip and from the gulf of Aqaba, Israel had the right to an assurance that she would not be left unprotected. The Prime Minister has now said that the protection of Israel against the resumption of raids and guerrilla warfare is in the concept advanced yesterday by the Secretary of State for External Affairs.

Mr. St. Laurent (Quebec East): As well as by the representative of the government of the United States who spoke before the Secretary of State for External Affairs.

Mr. Diefenbaker: The Prime Minister referred continually to the fact that this idea was suggested by the Secretary of State for External Affairs. As I read the record, and as the Prime Minister now says, it was first advanced by Henry Cabot Lodge, the representative of the United States.

There is one thing that has not been cleared up by the answer given by the Prime Minister. The secretary general of the United Nations appears to be under the impression that his mandate does not go beyond directing Israel to remove its forces. It does not permit him to suggest any further action that should be taken in order to maintain the integrity of Israel and preserve the Suez canal for the use of all nations.

Over and over again he has taken the stand that Nasser has to consent. Up to the present time Nasser has certainly dictated the course which has been followed. He says: These are the rules; this is the kind of force I will accept; these are the terms under which that force will operate. For any nations of the free world to accept his *ipse dixit* as the final decision and basis of settlement; for the nations to accept in their entirety his declarations may cause a temporary appeasement, but all history shows that those who thirst for blood are not appeased. In the speech yesterday by the Secretary of State for External Affairs these words appear:

> 3. Empower the secretary general to deploy the emergency force into the vital areas as Israel pulls out—but to consult both disputants before making such a move. The force thus would take over the duties of the old UN Palestine truce team but would extend them along the Aqaba gulf coast.

Now, I ask the Prime Minister this. Do the consultations which are being carried on with the disputants imply that both the disputants must consent to the force being used? Up to the present time Mr. Hammarskjold has taken a very firm stand that no action anticipated to be taken on Egyptian soil shall be taken without the consent of the government of Egypt. The Gaza area and part of the area on the gulf of Aqaba have been accepted as

Egyptian territory since 1948. Will it be necessary to have Nasser's consent as a condition for the moving in of the United Nations emergency force to patrol those areas? If it will not, I think the general plan will meet with universal approval of the people of this country, because that is what has been asked for; it is reasonable, and it is the only way in which there is any possibility of preserving peace in the Middle East.

On the other hand, if the means to be taken have to be acceptable to Nasser then those means cannot achieve peace. They may result in the continuance of a truce, or of an armistice, but there can be no peace in following the dictated determinations of Nasser. I therefore ask the Prime Minister this. Is it intended that the emergency force or the United Nations force, the truce administration or whatever you like to call it, will move in and will not require the consent of Nasser before doing so?

Mr. St. Laurent (Quebec East): I think this is a matter of semantics rather than a matter of politics. "Will they require the consent of Nasser to move in?" They will require that there be no armed opposition to their moving in, and that is in accord with what has been the pursuit of the United Nations since it was seized with this problem of bringing about a settlement that would not require force of arms for its achievement. It is not only the force of arms that acts upon the acquiescence of parties to a dispute. If the hon. gentleman will read the whole of the speech made by the Secretary of State for External Affairs he will see that there is a dispute as to the legal situation with respect to the Gaza strip and the Aqaba shores, and the minister for external affairs recommends that the question be submitted to the international court for adjudication but that in the meantime both parties give assurances that there will be no attempt to make use of these areas for the resumption of active hostilities.

Mr. Diefenbaker: And enforced by the emergency force?

Mr. St. Laurent (Quebec East): The emergency force will be there to see to it that there is no resort to a resumption of armed hostilities.

The whole affair is very much made up of different scenes, if you will, of the same drama; and it is for that reason, Mr. Chairman, that I have ventured to mention things that do not deal obviously and directly with the recommendation of this vote to the House of Commons. This is only one of the scenes of the drama, and the main actors are not always those who first appear upon the public

stage. The hon. gentleman says the first public suggestion of this procedure was made by Mr. Lodge, and that is quite true. But the hon. gentleman also knows that there had been discussions behind the scenes for several days, and those discussions dealt not only with what should be proposed but also with who should make the proposals, so as to ensure that they might receive the widest possible acceptance.

The hon. gentleman knows, as I do, that the sponsorship of resolutions is frequently a matter which requires a great deal of discussion behind the scenes before it is agreed upon, and even now I hope the representative of India will find it possible to join in sponsorship of the resolutions that will be brought forward. I know there may be some wishful thinking with regard to that, but the hon. gentleman will see in the dispatches that a resolution is very apt to come about as something arising out of the atmosphere that develops, or will develop, among the delegations during this adjournment.

I do not think the hon. gentleman would imagine, and neither do I, that there were no resolutions ready when the adjournment was suggested, but it was felt that before bringing these forward it would be better to have this adjournment so they could be discussed in a forum where no one was taking a public stand from which a retreat would have involved loss of face.

I for my part—and my colleagues feel as I do—trust a great deal in the discretion and tact of our Secretary of State for External Affairs in the manoeuvres to which resort must be had in order to bring about something that proves acceptable to a two-thirds majority of the general assembly.

Mr. Michener: Mr. Chairman, I would like to say a word or two about the purpose of this proposed loan of $1 million to the United Nations; and by way of introducing the remarks I wish to make, may I say I believe it is the common belief of the house that we are now being asked to vote this sum because of some prior action taken by the government of Canada.

We were here in November, when we debated at some length an action which was then fresh in our minds and which had just been instituted in the United Nations. I, for one, though regarding it hopefully and supporting the vote that was taken at that time in respect of the United Nations emergency force, raised some very serious questions and doubts which everyone must have had regarding the choice the Canadian government, along with other countries, made to remove the police action in the area from the hands of the French and British and place it under the direction of the assembly of the United Nations. That choice was made and that again has gone on under the direction of the general assembly. Today, in consequence of that choice and action, we are now providing funds as a loan to pay for one of the objectives which the United Nations assembly is trying to attain.

I agree that it is not an easy problem. Everyone here will agree that to lend $1 million to clear the Suez canal for traffic and, more important, to re-establish it as a channel of free international trade, is a worthy objective, and I am sure the government will secure the necessary vote. But the fact that we are voting the money, the fact that the government will have the money in its hands and will lend it and will be under responsibility to the house and the country to account for the expenditure and demonstrate as time goes on that the expenditure has produced a result that is worth while, also brings into issue the initial choice the government made in sponsoring in the United Nations the resolution to set up the emergency force. It also brings into issue the government's conduct in pursuing that choice at the United Nations, as our Secretary of State for External Affairs is doing at this very moment.

The Prime Minister raised the difficulty which we all see of obtaining a two-thirds majority. That must have been in the minds of the government when they undertook the course they are now following and undertook to put the responsibility for the solution of the Middle East problem in the hands of the assembly.

It is quite true that a two-thirds majority is needed for every resolution, that the assembly can only act by resolution, and that if that majority cannot be obtained the whole procedure, the whole course of this remedy, this police action, this attempt to solve the present issues in the Middle East, may be completely stultified. But that is something upon which the government has entered with its eyes open and knowing the consequences of using the general assembly for that purpose. We said at the time, and I repeat, that we were hopeful the choice made and the action we are taking today would lead to a more effective means of dealing with this kind of international problem where some exercise of authority, either by states in association or by the United Nations through an emergency force, is absolutely essential to the correction of disorder and to the correction of those who create the disorders.

I say we are hopeful it will lead to something, but let me say this, and this is the point I wish to make. The government has

made a choice which has resulted in the action under way today, and the government is on trial in carrying through the consequences of that choice in the general assembly of the United Nations. The people of Canada will look to them to justify their conduct by success. Therefore what we have to see to in voting funds, and all we can see to, is that the government will not be content with anything less than the objective which has been so well stated today, a solution of these problems through action of the United Nations, a solution which does not depend on the consent of one of the parties, the consent of Nasser of Egypt or any consent which will nullify the solution of the three important problems respecting the Suez, the Israeli-Arab dispute and the question of the Arab refugees.

The latter two are not in dispute today, but the disposition of the canal problem is the object of this vote. I do suggest that the money will be wasted and the course of the government's action will be condemned in time by the people of the country unless they take a firm line at the United Nations and justify the choice they made some months ago. That can only be done by being insistent and convincing. The Secretary of State for External Affairs is a very tactful and convincing man. We hope he will succeed and that the general assembly will be effective in solving the problem. As I say, the government is on trial, the minister is on trial, and we are looking to them to justify the course which has been taken.

Mr. Patterson: The Prime Minister indicated he would see that the Leader of the Opposition was provided with a copy of the recent speech made by the Secretary of State for External Affairs. I wonder whether it would be possible for all members of the committee to obtain copies for their information.

Mr. Pallett: We are voting here $1 million, a considerable sum of money; and in the light of the explanation advanced, part of which was conveyed to me at secondhand because it was necessary for me to be out of the house earlier this afternoon, it seems to me that many of the essential elements have not been fully explained. This item appears under a rather unusual heading, namely "Loans, Investments and Advances". As I understand it, a loan is something, usually money, that is given with the understanding that it will be returned. An investment is something into which you put your money in the hope that it will appreciate and bring some sort of return. An advance is a going forward.

[Mr. Michener.]

I do not think it has been explained how the loan is to be secured. Originally there was a reported though not confirmed proposal put forward by some United States bankers under which they would advance to the United Nations the full amount of the money, not only the $10 million but the total sum of $50 million required to clear the canal. I understand that from their investigations they were not satisfied that there would be any enforceable obligation on the United Nations whereby that body would have to repay the money. That opinion was obtained by people in the investment business, but even in the face of that the representation is made to the house that this amount is in the nature of a loan and is an amount of money that will be returned. I think the Minister of Finance should assure us that there is an enforceable obligation under which the money will be repaid if the amount is in fact a loan. If it is a gift then the item should be clothed in the proper language and so described.

There is another thing I think we might reasonably consider. International loans generally bear interest. Central Mortgage and Housing Corporation says that when the Canadian people borrow money for housing they must pay 6 per cent. There is no suggestion here that the Canadian people as a whole in going into a foreign market with their money, if you like, are going to receive any return by way of interest.

I remember well the Prime Minister saying last session that the Suez was no concern of ours, that we did not have any ships going through the canal, and why should we bother with anything going on in that area. Looking at the item in a rather cold-blooded fashion, and that is the way I think the Minister of Finance should look at a financial transaction, I think he might give us some indication whether there is to be any financial return. I am sure it would be of interest to his department and the people of the country as a whole.

This afternoon the Prime Minister made certain references to an address by the Secretary of State for External Affairs to the United Nations. I thought it rather significant that he omitted any suggestion that the resolution proposed to the United Nations is not going to carry in its present form, and in all honesty I think it should have been said that it was not intended that it should carry in the form in which it was proposed. By the language used and by everything the Prime Minister said I think there is rather the suggestion that someone has come up with an answer. The Afro-Asian group will not subscribe to the proposal put forward by the Secretary of State

for External Affairs, and the Prime Minister well knows they will not.

Knowing that, I think he should go further and explain to us what steps Canada is taking in that regard. It is nice to refer to things that are to be done, but the motive behind the action should also be explained to this house. Let us go further and see what assurance can be taken from the assembly and what hope there is of ensuring the success of this assurance. How much more are we going to be asked for after this $1 million is spent? Is there then going to be another call made on the Canadian people? Can the Prime Minister assure us that all members of the United Nations are going to participate in this and that if the secretary general does reach some formula, all nations are going to support it? Or is this just $1 million tossed out in hope? If that is the situation, let us hear it.

As I recall it, I do not think any of the eastern countries have yet agreed, either by resolution, speech, communication or in any other way, that they are willing to participate in any United Nations levy in order to repay any money used in clearing the Suez canal. If that is the situation I think, with the greater facilities available to this government, we should be informed about this matter. Do not put something forward and then say, "Now pass it". We feel that we should hear who is going to be responsible for the repayment of this loan; whether all the members of the United Nations have agreed to subscribe to the formula that the secretary general may produce, and also whether there is any term on the loan and whether we have any assurance as to when, if ever, it will be repaid.

Mr. Churchill: Mr. Chairman, in the course of the Prime Minister's remarks he said something about people hoping that the emergency force now stationed in the Middle East could prevent an outbreak of hostilities. I do not see that the present emergency force, being a lightly armed infantry force, could do anything to stop the opposing forces of Israel or Egypt if those two countries decided to engage in hostilities again, because those hostilities would be undertaken by armour, aeroplane and heavy equipment. The emergency force, I think in the words of the secretary general himself, is only an enlarged observer corps. The prevention of an outbreak of hostilities—and everyone is fervently hoping that such an outbreak will not occur—must be accomplished by other means.

Earlier the Prime Minister, in speaking of this loan which is for the clearing of the canal, indicated that it was one of the steps toward reaching a political settlement in the Middle East. He said, and I hope I copied down his words correctly, that it would be helpful to a realization of the objectives of so many members of the United Nations. It is in that light that we are considering this matter. If this is to be helpful to a realization of the objectives of members of the United Nations, we must be clear in our minds as to what those objectives are.

Mainly, of course, the objective is to ensure that there will not be an outbreak of hostilities in the Middle East, and that Israel and Egypt will not again enter upon war. But over the last eight years armed conflict of a sort has been going on between Egypt and Israel, with border raids and things of that nature. Resolutions of the United Nations have been ignored quite frequently by both sides. Certainly one of the great difficulties that Israel was experiencing with Egypt was the denial of passage through the canal to ships carrying the Israeli flag, and the prevention of ships destined for Israel from reaching the port at the top of the gulf of Aqaba. Unless that main problem is resolved, how can a cessation of hostilities between those two countries be assured?

At the present moment the United Nations is considering the problem and the Canadian representative has, according to the Ottawa *Citizen*, about to be presented to the United Nations a resolution which must be split into two parts now if there is any hope at all of having it passed. In today's issue of the *Citizen* it is stated:

> . . . Canada and a number of other nations will introduce two resolutions later this week—

That is to be done in order to get over this difficulty of the one draft resolution of Canada, which apparently is not acceptable.

> —the first reiterating the U.N. demand that Israel withdraw its troops from Gaza and the Aqaba gulf area and the second ordering immediate efforts to expand the role of the U.N. emergency force in maintaining an armistice on the Egyptian-Israeli border.

The difficulty is that those nations that are opposed to Israel are insisting that Israel withdraw her troops completely before any further action is taken. Yet unless further action is taken, what is the situation? Here is what the Secretary of State for External Affairs said in the assembly debate, and this is within quotation marks in the newspaper. He was speaking about the situation that would result if there was any possibility of failure to pass the second resolution, namely the one to use the emergency force in those

areas and on the Egyptian-Israeli border. If there is a failure there, he says, this will be the situation:

> . . . this failure "will be a demonstration of the futility of this organization (the U.N.) that would have devastating effects" on world affairs.

Then he went on to say this, and this is summarized in the paper; these are not his direct words:

> The Israelis would stay put; the Arabs would try to level sanctions on Israel through the U.N.; new outbreaks of violence might take place; soon the UNEF would be forced out of the Middle East and a novel international experiment killed.

Hence it all rests on an "if", Mr. Chairman, if the second proposed draft resolution is passed. If it is not passed, then there is the quandary. If the first one is passed and is agreed to by Israel, the Gaza strip will be evacuated of Israeli troops, the Aqaba gulf area will be cleared of Israeli troops, and the emergency force at that stage is not moving in. Unless it moves in the Egyptian forces will move in, and there will be a situation such as that which prevailed during the last eight years. Hence unless this second draft resolution passes the assembly, which resolution refers to the utilization of the emergency force, we will have achieved no solution to the problem in the Middle East.

It is quite obvious that the second draft resolution should have priority and should be passed before insistence is directed to Israel to withdraw her troops. Canada's position, which is being made a little bit clearer day by day and as this debate continues, seems not to have been very strong. It rests upon too many suppositions as to what might happen if something else is done. I would have preferred an insistence by Canada on a reversal of this order and the proper use of the emergency forces in these two disputed areas. If Canada is going to go along with these other nations and insist that Israel withdraw completely and then merely take a chance on the emergency force being used, I think we are in a very difficult position.

If the use of the emergency force depends, in the last analysis, on the consent of Nasser, experience in the past shows that such consent will not be forthcoming. To what has Nasser consented up to the moment? I do not know of any resolution of the United Nations to which he has given consent, unless he drafted the resolution himself and had it presented in a form that would be acceptable to him. What confidence can we place in any of these resolutions being accepted by Nasser? The situation, therefore, becomes even more involved and Canada's position should be made much clearer; that we stand firm on

the use of the emergency force, that novel international experiment. It was that with which we went along in the early part of December, a trial run of this international experiment, the use of an emergency force so that peace would prevail in a sensitive area of the world and so that during the period of peace a permanent political settlement might be made.

But this novel international experiment, in the opinion of the Secretary of State for External Affairs, is very close to being a failure because of the grave difficulty in the United Nations at the present time as to how this force shall be used. Of course, back of it all is the yielding to Nasser's demands right from the end of October to the present day. A firm stand against Nasser should have been taken much earlier. Canada's offer to send the Queen's Own, rejected by Nasser, was an indication that there would be trouble in persuading the Egyptian dictator to do anything that might be asked of him by the United Nations. So the United Nations faces, I suppose, the most perilous moment in its history, and we are intensely interested in Canada's actions and activities under those circumstances.

It is for this reason that I think it would have been better if, earlier this afternoon, there had been a full disclosure by the government as to the instructions that had been given to the Secretary of State for External Affairs. The Prime Minister seemed to imply, when he was speaking this afternoon, that the Secretary of State for External Affairs, in speaking yesterday to the assembly, had outlined the stand of the government of Canada. I would have liked to interrupt to ask the Prime Minister if he could not inform the house as to the instructions that had been given the minister prior to the delivery of that speech yesterday. This would have been helpful, rather than compelling us to go through a process of endeavouring to extract information from a reluctant government. The situation is much too serious for anything in the nature of failure to provide complete information.

If hostilities break out in the Middle East, immediately a thousand-odd Canadian soldiers are in danger. It was our interest in the safety of those soldiers that caused us on this side of the house to ask where they were located. I think we require even more information with regard to the protection that is afforded, particularly the Canadian troops who are the administration echelon of the emergency force. Are they in an exposed position? Are they protected by the infantry battalions that have been supplied by other

nations, or might they be unhappily sacrificed in any outbreak of hostilities? This concern must be in the minds of the Canadian people, and is certainly in the minds of the relatives of our soldiers who are overseas.

Under those circumstances we cannot, without careful consideration, enter into the voting of a million dollars to assist Nasser in clearing the canal which he blocked after the outbreak of hostilities, the canal from which he perhaps intends to derive a great deal of revenue. Why should we, without guarantees concerning the future, be so quick to assist Nasser in re-establishing his economic position in respect of the canal? Let us hear from him or from the proper sources as to what he intends to do to ensure that after clearance of the canal, assisted by our money, it will be free to international traffic without any hindrance whatever; that it will be free to the ships of Israel, and that the ships of Britain and France will not be prevented from making use of it. None of these assurances have been given, and something in the way of a definite assurance is required before we should be asked to vote such a large sum.

I see that it is six o'clock, Mr. Chairman.

Progress reported.

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

Questions

ANSWERS TO QUESTIONS

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

INCOME TAX INSPECTORS, PRAIRIE PROVINCES

Question No. 24—**Mr. Hansell:**

How many income tax inspectors are out on the road checking farmers income tax returns in each of the provinces of Manitoba, Saskatchewan, and Alberta?

Answer by: **Hon. J. J. McCann (Minister of National Revenue):**

The approximate numbers, of which the majority go out on the road, are as follows: Manitoba, 30; Saskatchewan, 60; Alberta, 40.

TURKEY IMPORTS FROM UNITED STATES

Question No. 27—**Mr. Lennard:**

1. How many turkeys were imported from the United States during the fiscal year 1956, (a) alive; (b) freshly killed; (c) frozen?
2. What was the duty levied per pound?
3. What sections of the United States did they come from?

Answer by: **Hon. Roch Pinard (Secretary of State):**

1. (a), (b) and (c). Information as to the number of turkeys imported is not available. During the fiscal year 1956 there were 11,427,828 pounds of turkey imported from the United States.

2. The rates of duties applicable to turkeys imported from the United States have been in accordance with the following tariff items:
Prior to June 30, 1956

(a) Live turkeys—Tariff item 2—Domestic fowls, pure-bred, for the improvement of stock, free.

Tariff item 9—Poultry and game, n.o.p., 12½ per cent.

(b) Turkeys freshly killed—Tariff item 9—Poultry and game, n.o.p., 12½ per cent.

(c) Turkeys—frozen—Tariff item 9—Poultry and game, n.o.p., 12½ per cent.

On and after June 30, 1956

(a) Live turkeys—Tariff item 2—Domestic fowls, pure-bred, for the improvement of stock, free.

Tariff item 9—Poultry and game, n.o.p., 12½ per cent.

(b) Turkeys freshly killed and

(c) Turkeys—frozen—Tariff item 9—Poultry and game, n.o.p., 12½ per cent, but not including turkeys prepared by removal of the feathers, heads, and all or part of the viscera, with or without removal of the feet, but not cooked or divided into portions.

Under the general agreement on tariffs and trade.

Turkeys prepared by removal of the feathers, heads and all or part of the viscera, with or without removal of the feet, but not cooked or divided into portions are dutiable at the ad valorem rate of 12½ per cent, the duty to be not less than 5 cents per pound, nor more than 10 cents per pound.

3. Information not available.

INCOME TAX INTEREST RATES

Question No. 59—**Mr. Hodgson:**

1. What rate of interest is charged for overdue income tax payments?
2. What rate of interest is allowed by the income tax department for overpayments collected by their officials?
3. Is any interest allowed on advance payments of income tax, such as collections at source?

Answer by: **Hon. J. J. McCann (Minister of National Revenue):**

1. 6 per cent.

2. Where ordinary overpayments of income tax are being refunded interest at the rate of 2 per cent is included in such refunds. Overpayments arising from decisions subsequent to the filing of notices of appeal or objection by taxpayers are refunded together with interest at the rate of 6 per cent.

3. No.

HOUSING STATISTICS, NOVA SCOTIA

Question No. 64—**Mr. McCulloch (Pictou):**

1. What was the estimated number of houses in Nova Scotia in 1935?
2. What is the present number?

Answer by: **Mr. Dickey, Parliamentary Assistant, for the Minister of Trade and Commerce:**

1. No estimate available for 1935. At the time of the 1931 census there were 106,223 houses in Nova Scotia, exclusive of hotels, large rooming houses, institutions and camps.

2. The estimated number of houses in Nova Scotia in September 1956 was 165,000. This is the latest estimate available and the definition of a house used here is comparable to that in the answer to No. 1 above.

SALES TAX, FLOWERS, VEGETABLES AND FRUIT

Question No. 66—**Mr. Hansell:**

1. What is the sales tax on the following: potted plants, cut flowers, fresh vegetables and fresh fruits?
2. At what point of sale is the sales tax imposed; at the source, at the wholesale or at the retail price?
3. Is there a difference in the rate of sales tax on these items? If so, what explanation does the government offer in not (a) removing the tax; (b) making the tax uniform?

Answer by: **Hon. J. J. McCann (Minister of National Revenue):**

1. Ten per cent on potted plants and cut flowers if the annual sales thereof exceed $500.

Fresh fruits and fresh vegetables are specifically exempted.

2. On the sale price of the manufacturer or producer.

3. No. The rate is 10 per cent.

MARITIME PROVINCES POPULATION

Question No. 69—**Mr. Buchanan:**

1. What was the approximate combined population of the provinces of Prince Edward Island, New Brunswick and Nova Scotia in 1931, 1941, 1951?
2. What is it today?

Answer by: **Mr. Dickey, Parliamentary Assistant, for the Minister of Trade and Commerce:**

Questions

1 and 2. Combined population of Prince Edward Island, New Brunswick and Nova Scotia.

1956	1951	1941	1931
	— June 1 —		
1,348,618	1,256,710	1,130,410	1,009,103

VESSEL CONSTRUCTION PAYMENTS TO FISHERMEN, N. B.

Question No. 79—**Mr. Robichaud:**

1. What is the total amount paid up to December 31, 1956, to fishermen of the province of New Brunswick, under the subsidy program for assistance in the construction of vessels of the dragger or long-liner type?
2. What is the total amount paid for the same period to fishermen of Gloucester county, New Brunswick?

Answer by: **Mr. MacNaught, Parliamentary Assistant, for the Minister of Fisheries:**

1. $413,206.25.
2. $353,553.80.

HOUSE OF COMMONS

Thursday, January 31, 1957

The house met at 2.30 p.m.

PIPE LINES

TRANS-CANADA PIPE LINES—REQUEST FOR TABLING OF AGREEMENTS—ACTION OF GOVERNMENT ON FINANCING

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, yesterday the Minister of Trade and Commerce tabled the order in council concerning Trans-Canada Pipe Lines. Apparently there also were agreements between some department of the government and Trans-Canada Pipe Lines, or between Northern Ontario Pipe Line Crown Corporation and the Trans-Canada Pipe Lines. I wonder whether the minister would also table such agreement or agreements.

Right Hon. C. D. Howe (Minister of Trade and Commerce): When the documents left my office the agreement affecting Trans-Canada Pipe Lines was tabled with the order in council. I think the hon. member will find that the Clerk has both documents, but if not I will be glad to furnish anything which has been prepared and not tabled.

While I am speaking on this subject I might say that the financing of Trans-Canada Pipe Lines has now been approved by the conservation board of the province of Alberta and by the board of transport commissioners as well as by the government of Canada. So I think we can assume that that subject need not be pursued further.

Mr. E. D. Fulton (Kamloops): On that subject, would the minister say whether last year, when I understand there was a new agreement following the steel strike in the United States, the deadline for construction to Winnipeg was extended, and, if so, to what date; or was it simply lifted without any definite date being set?

Mr. Howe (Port Arthur): There was no new agreement after the steel strike in the United States. The only agreement which had been made affecting the western portion provided for protection against *force majeure,* and if the cost of the line is not repaid before the due date, which, I think, is April 2, the question as to whether *force majeure* occurred would be interesting; but as we are quite sure that the advances will be repaid shortly, the matter is purely academic.

Mr. Fulton: Am I not right in understanding that the agreement provided for construction to Winnipeg by December 31, 1956, in the absence of strikes or something which rendered supplies unavailable? Surely a deadline was written into the agreement. Was that deadline extended to another date or was the company relieved of any obligation to meet the deadline with respect to construction?

Mr. Howe (Port Arthur): No, the company was not relieved of obligation to meet the deadline, but the obligation can be discharged under the agreement by the repayment of the government loan, and it will be discharged in that way.

Mr. Fulton: So there is some deadline by which the company is obliged to complete construction to Winnipeg?

Mr. Howe (Port Arthur): Or by paying back their debts to the government.

Mr. Roland Michener (St. Paul's): May I ask a supplementary question with regard to the proposed public financing. Has the minister considered whether the proposed offering of bonds and common shares in a package, or unit, complies with the agreement of the Trans-Canada company to make a public offering in Canada of common shares?

Mr. Howe (Port Arthur): Yes, sir, the common shares are being offered in Canada and considerably more than half the total of the outstanding shares will have been offered in Canada when the financing is complete.

Mr. Michener: The reason I asked whether the minister had considered this matter is because I understand the public offering would be an offering of bonds and shares, whereas the agreement called for the offering of common shares. Presumably, common shares cannot be purchased alone.

Mr. Howe (Port Arthur): That is true, but the agreement nevertheless calls for an offer of shares in Canada, and shares are being offered.

Mr. Fulton: On condition you buy bonds.

Mr. Howe (Port Arthur): What difference does that make?

Mr. Fulton: It amounts to a condition of sale.

Mr. Howe (Port Arthur): There was no offer of that kind in any agreement. It was a verbal understanding with the group that represented the ownership of the pipe line, which I conveyed to the house. The understanding was that after the financing had been completed more than one-half of the total outstanding shares would have been offered to purchasers in Canada; and I may say, from reports reaching me, that all those shares will be taken up by purchasers in Canada, and I am satisfied the demand for further shares will still exist.

Mr. Michener: May I take it that the minister considers what is being offered as in compliance with the agreement?

Mr. Howe (Port Arthur): Yes.

[*Later:*]

Mr. Fulton: May I ask a supplementary question of the Minister of Trade and Commerce. In view of the fact that the agreement of May 8, 1956, clearly provides that the Trans-Canada company undertook to build the western section of the line by December 31, 1956, why has the company been relieved of all obligations with respect to a deadline for the completion of this section of the line and the only obligation remaining is to repay the loan? How could they just be relieved of that obligation?

Mr. Howe (Port Arthur): Well, Mr. Speaker, possibly if the government had wished to acquire the western section under the terms of the mortgage and had wished to foreclose the mortgage, they could have attempted to declare the company in default. I think the company would have had a good defence because, as everyone knows, the cause of their default was that a steel strike in the United States had interfered with the delivery of pipe into western Canada for a period of about two and a half months. However, the government has not claimed default and, as I say, the company can discharge all claims of the government of Canada by the repayment of the money that was advanced to the company for the western section.

Mr. Fulton: My question is, why was not a new deadline established? Granted, for the sake of argument, that we agree with the statement, why did you not negotiate a new deadline instead of lifting all obligations with respect to a deadline?

Mr. Howe (Port Arthur): We lifted no obligations and we set no new deadline. We wanted to reserve the position if at any time we desired to contest the position of the company as being in default, we would base our default claim on the original agreement. No new agreement was made and no agreement was lifted.

Mr. Fulton: The company is in default? Is the company in default?

Mr. Howe (Port Arthur): You say so. Let the courts say whether you are right.

Mr. Fulton: How can it not be in default under the agreement?

Mr. Howe (Port Arthur): That is a matter for the courts to decide, namely to what extent the *force majeure* provision remedied the apparent default.

Mr. J. G. Diefenbaker (Leader of the Opposition): The courts cannot decide after the order in council was passed last Friday.

Mr. Howe (Port Arthur): Would you like us to declare the company in default? I know you are trying to kill this pipe-line project—

Mr. Harkness: That old canard will not get you anywhere.

Mr. Diefenbaker: Oh, no.

Mr. Howe (Port Arthur): —instead of taking the logical step which will permit it to be completed on time.

Mr. Diefenbaker: Is that why you made the order in council?

Mr. Howe (Port Arthur): Certainly, that is why we made the order in council. We wanted our money back and the pipe line built.

Mr. Diefenbaker: It was wholly improper to have made the order in council.

Mr. Howe (Port Arthur): I am glad to hear that legal opinion from the leader of a great party, and I will remember it.

Mr. Fulton: In view of the fact that parliament was told last summer that the bill had to go through by June 7 in order that construction could be completed by a certain date, and construction was not completed by that date, why has the government not held the company in default when construction was not completed?

Mr. Howe (Port Arthur): The reason that the bill had to go through by a certain date was so that the company would be justified in undertaking the building of the line under the then agreement. That was the agreement with the company which was prevailing at that time. As I say, if we had preferred ownership of that uncompleted pipe line to the return of the money advanced by the government we might have gone into the courts and tried to enforce default against

the company. We are anxious to have a pipe line completed from Alberta to Montreal. In spite of all the efforts to prevent it from across the house we believe that the project will be completed, and completed by autumn of 1958.

Mr. Fulton: No matter how many times they break their word you will do nothing about it.

Mr. Daniel McIvor (Fort William): Mr. Speaker, I was going to ask an overall question. Is there any doubt in the mind of the Minister of Trade and Commerce that this pipe line is not going to go through? Is there any doubt, anywhere, east or west? I think that should end it if we get a good answer.

Mr. Pearkes: There is no answer.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Minister of Trade and Commerce whether Trans-Canada Pipe Lines Limited has ever met any deadline that was set for it?

Mr. Howe (Port Arthur): Yes, the pipe line met the deadline of satisfying the government that the pipe line has finances and that it is able and willing to pay back the advances relating to the western section by April 2, 1957. That deadline will be met.

Mr. Knowles: How did they meet that deadline?

Mr. Castleden: I would like to ask—

Mr. Knowles: I would like an answer. How many extensions had the company been given before they met that deadline?

Mr. Howe (Port Arthur): Mr. Speaker, the document giving that information was tabled yesterday. The order in council sets it all out in detail. If my hon. friend has not read the order in council he is not as well prepared as usual. Perhaps he has read it and knows the answer himself.

Mr. Knowles: Yes. It had four extensions.

Mr. Howe (Port Arthur): All right.

TRANS-CANADA PIPE LINES—ATTITUDE OF ALBERTA GOVERNMENT TOWARD EXPORT OF GAS

On the orders of the day:

Mr. G. H. Castleden (Yorkton): Mr. Speaker, I should like to address a question to the Minister of Trade and Commerce. Has the fact that there are no plans at the present time for extending the branch pipe line to Emerson in any way affected the attitude of the Alberta government toward the export of gas from that province through this line?

Right Hon. C. D. Howe (Minister of Trade and Commerce): My hon. friend is asking about the attitude of the province of Alberta and I think he had better ask Premier Manning that question. As I say, the conservation board of the province of Alberta has approved the financing of the pipe line. Apart from that I have no information as to the attitude of the province of Alberta toward the pipe line.

Mr. Castleden: Mr. Speaker, I should like to ask a supplementary question. Was not the consent with regard to the export of gas from that province based upon an offer by this government and an understanding by this government that there would be transmission allowed to the United States through Emerson?

Mr. Howe (Port Arthur): That was the original proposal, yes, that the government would combine two companies, one of which was formed to export gas to the United States and the other of which was formed to take gas to Toronto via an all-Canadian route. The purpose was to preserve the permits of both companies. The government has not interfered with export to the United States; the company has decided that it does not plan to provide for export at the moment.

NATIONAL CAPITAL PLAN

REQUEST FOR APPROVAL OF SPORTS STADIUM AND EXHIBITION GROUND

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I would like to ask a question of the Prime Minister. Would the Prime Minister consider asking parliament to approve the expenditure of public funds for the building and construction of a national sports stadium and exhibition ground as currently proposed by the city of Ottawa?

Right Hon. L. S. St. Laurent (Prime Minister): I do not recall, Mr. Speaker, that that matter has yet come before the government for consideration. All the proposals that seem to apply to the general capital plan and which come before the government are seriously considered, and if and when that happens in respect of a stadium an announcement will be made.

Mr. Argue: Was this item not included in the recommendations made a few years ago for improving the national capital area?

Mr. St. Laurent (Quebec East): I would not want to answer offhand. I would want to have my answer very accurate and I would want to look at the report referred to to see if that subject was mentioned in it.

Mr. Argue: I believe it was.

Inquiries of the Ministry

CITIZENSHIP AND IMMIGRATION

INDIAN AFFAIRS—SITUATION ON HOBBEMA RESERVE, ALBERTA

On the orders of the day:

Mr. Carl O. Nickle (Calgary South): I should like to direct a question to the Minister of Citizenship and Immigration. Would the minister comment on the charge by Mrs. John Gorman, legal counsel for the Alberta Indian association, as reported in this morning's *Globe and Mail*, that the action of the minister in holding up a petition directed to the Queen is an act contrary to British justice and a denial of the right of subjects to petition Her Majesty in a case where it is felt an injustice is being done and solemn Indian treaties of the 1870's are being broken by representatives of the Queen? Will the minister indicate whether or not he will send that petition to Her Majesty, to whom it is addressed, and also by what authority the petition was transferred from the Governor General's office to him?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, I have said once or twice before in the house that I did not think it would be wise for a minister of the crown to give legal opinions of his own in the house.

Mr. Nickle: Would the minister advise the house of the number of petitions and resolutions he has received protesting the Hobbema Indian reserve action from home and school associations, church organizations, bar societies and other groups of conscientious Canadians, and will he advise the house of the nature of his replies to each of the three or four specific requests for amendment of the 1951 Indian Act and Indian policy in general contained in these resolutions and petitions?

Mr. McIlraith: What subject are you debating now?

Mr. Pickersgill: I do not think I can give offhand the number I have received. It is quite considerable. As to the second part of the question, I have given the same answer to these petitions as I have given in the house, namely, that a procedure was laid down by parliament for an appeal to the courts and I think it would be a very extraordinary thing to change that law in the midst of a proceeding and to deny to those who now have an appeal to the courts the appeal that was given to them by parliament. I repeat what I have said before, that there is an opportunity of appeal to the courts provided by parliament, that it seems to me that advantage should be taken of that opportunity, and it seems to me it would be a very wrong thing and, indeed, rather contemptuous of parliament, to attempt to interfere in any way with that.

I should like to add one other thing. There seems to be a misapprehension that the act of 1951 changed the definition of an Indian. Those hon. members who are lawyers know perfectly well that it did nothing of the kind. No change whatsoever was made in the definition of an Indian by the act of 1951. All it did was to provide legal procedure for determining in certain cases any dispute as to whether a particular person was or was not an Indian. But the law setting out those who are Indians and those who are not Indians still is the law that was in existence at the time this reserve was set up. What is being suggested by the representations that have come to me is that people that some persons allege are squatters on the reserve and have no rights to share in the trust—

Mr. Diefenbaker: After 60 years?

Mr. Pickersgill: —should by an act of parliament be given a share of the trust. That is what the proposition is. If these people are Indians according to the definition which existed at the time the reserve was set up they are entitled to remain on the reserve. If they are not Indians but people whose ancestors squatted on the reserve, the fact that they have been there for a long time does not, as I apprehend it, change the legal situation. It seems to me that until this matter can be brought before a competent court and settled we should not be discussing it here.

Mr. J. G. Diefenbaker (Leader of the Opposition): I should like to ask the minister whether, in view of the three judgments handed down by courts in Saskatchewan recently, he will reconsider the statement he made a moment ago that the 1951 amendments did not have the effect of changing the meaning of the word "Indian"? I refer to the three judgments given by district court judges within the last few weeks in connection with appeals launched by Indians whose names were erased from the band membership.

Second, I should like to ask the minister this question. In view of the fact that so-called squatters—to use his expression—had in many cases been on the lands of the reserve without challenge for 50 years or 60 years, does he not feel that common justice to these poor unfortunate people demands an amendment at once if the law be what he says it is?

Mr. Pickersgill: If I might answer the second question first, Mr. Speaker, may I say this. It does not seem to me that if the hon.

[Mr. Argue.]

gentleman's grandfather had had a farm and if he had tolerated someone living on that farm for a long time, it would be an appropriate thing for parliament in our day to pass a statute giving half that farm to the descendant of the person that he and his family had tolerated living on it for that time. That is what his suggestion amounts to. As for the judgments of the courts in Saskatchewan, as I understand it the judgments of the courts in Saskatchewan reversed the registrar. That is why there is an appeal, namely so that the registrar's decision can be considered. If the courts in Saskatchewan reversed the registrar, it will be quite open to the courts in Alberta to do exactly the same thing if there is the same evidence. It does not seem to me that it is proper for me or for anyone here to attempt in advance to prejudge the decision which this parliament, not I, left to the courts.

Mr. Diefenbaker: Mr. Speaker, may I just ask the minister this question. Is it not a fact that in Saskatchewan where appeals took place—three of them in three different judicial districts—the judges held that the provisions of the act of 1951 did not apply to those who were on the reserves prior to the date on which the statute was passed? If I am correct in my premise, then why does the minister not end this tyranny in the Hobbema reserve on the basis of these judgments which apparently the minister is not going to appeal and which, unless they are followed by Alberta, will result in the law being interpreted in one way in Saskatchewan and in another way in Alberta?

Mr. Pickersgill: Mr. Speaker, do you not think that we ought to wait until the courts in Alberta have interpreted it in order to see whether that situation would arise which the hon. gentleman is attempting to forecast as the decision of the courts in Alberta?

Mr. D. S. Harkness (Calgary North): May I ask a supplementary question of the Minister of Citizenship and Immigration. From whom did he receive the legal advice that the definition of an Indian, as contained in the 1951 amendment, did not change the previous definition of an Indian? Is he aware that at the time the ancestors of these Indians who are now being expelled from the Hobbema and other reserves settled on those reserves the definition of an Indian was anyone who followed the Indian way of life?

Mr. Pickersgill: I should think, sir, that as to the first question my reply would be that the advice I received was advice from the appropriate officer of my department. As to the second question, I would not venture to give an opinion without consulting the documents.

[*Later:*]

Mr. Nickle: Mr. Speaker, may I ask a supplementary question of the Minister of Citizenship and Immigration. Will he please answer specifically that portion of my question asked earlier which had nothing whatsoever to do with any legal action under way in Canada at the present time? In other words, by whose authority was the Indians' petition to the Queen transferred from the office of the Governor General to himself? Furthermore, will the minister please indicate whether he will send this petition on to Her Majesty to whom it is addressed?

Mr. Pickersgill: I answered that question yesterday when I indicated that I was seeking advice on this subject.

Mr. Diefenbaker: Mr. Speaker, in view of the fact that we are met with an adamant refusal on the part of the minister to do anything in connection with these unfortunate Indians, I intend to direct a question to the Prime Minister. Would he consider looking into this matter and in the meantime giving a stay of proceedings in so far as the eviction of these Indians is concerned? Will he also give consideration to setting up a royal commission to determine the rights of these people who may not have votes but who have the right to consideration by this parliament?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I do not think I should answer the question just put by the Leader of the Opposition in any way that would commit the government. It may be a very popular cause at this time to try to make much out of the unfortunate situation in which some of those find themselves who have been found to be residing on this reserve and not to be Indians. However, there are legal proceedings that can be taken and should be taken and which I hope will be taken. If they are not taken they can be supplemented by action recommended to this parliament to see that there is consideration by the courts of the question of fact involved in this matter.

This is something which was apparently not considered of very much importance by anyone until a very greatly enhanced value was given to the lands of this reserve by the oil finds either on it or in the surrounding territory. Proprietary rights are now involved and I think they should be decided by the courts, as is always the case.

I have not gone into all the facts but the information I have is that the definition of

who is or who is not an Indian entitled to be on the reserve has remained unchanged over the whole time since that reserve was set up. There was a procedure instituted under the act of 1951 to have the question of fact tested if there was a contest as to who had or who had not the right to be treated as an Indian on the Indian reserve. That procedure involved an investigation by commissioners, then a finding by the registrar which was subject to appeal to the district court.

As the hon. gentleman has stated, there have been three cases in the province of Saskatchewan where after investigation and a finding on the investigation by the registrar the courts have found that the registrar's finding was wrong and quashed it. There is nothing to suggest that the district court would now confirm or quash a finding of the registrar in this case, but it is the district court which has been given by parliament the responsibility of doing that. I do not think it would be proper when there is a dispute about proprietary rights to attempt to set up a royal commission to make a decision on that dispute instead of having it decided by the ordinary courts of the country.

Mr. J. H. Ferguson (Simcoe North): Does the Minister of Citizenship and Immigration believe he is holding a pretty hot potato when he delays for 24 hours a message sent to Her Majesty the Queen by her subjects; when he takes over 24 hours to get some legal advice on diverting a petition to Her Majesty? Who is he? Who is the gentleman who dares to do that?

Mr. Speaker: Order. Shall we proceed with orders of the day?

[*Later:*]

Mr. Harkness: I should like to address a question to the Prime Minister in view of his statement a little while ago that he did not believe the definition of an Indian had been changed. If the definition was not changed in the act of 1951, can he explain to the house why the wording and the clauses defining an Indian which appear in the original act of 1892, I believe, are completely changed in the act of 1951?

Mr. St. Laurent (Quebec East): Mr. Speaker, I will look at the statute and perhaps the hon. gentleman himself will look at the statute—

Mr. Harkness: I have.

Mr. St. Laurent (Quebec East): —and he may be able to find a sufficient explanation in the statute. If not, perhaps he will do as I will do and refer to the discussions that took place when the bill providing for this legislation was before the house. Perhaps we can find there the answer that the hon. gentleman is asking me to give in the house. I think it would help in the expedition of the business of parliament if a lot of us did such work ourselves and got the information by our own research instead of using this period as an opportunity to advertise our interest in the subject.

Mr. Harkness: Mr. Speaker, on a question of privilege—

Some hon. Members: Oh, oh.

Mr. Harkness: In view of what the Prime Minister has just said I would inform him I was on the committee which studied the Indian Act from 1947 to 1949, again in 1950 and 1951 and also last year—

Mr. McIlraith: Is this more advertising?

Mr. Harkness: —and that to my knowledge it has never been maintained before that there was not a very definite change in the definition of an Indian which was written into the act in 1951.

[*Later:*]

Mr. A. W. Stuart (Charlotte): I would like to ask a supplementary question of the Minister of Citizenship and Immigration. Has the minister given consideration to following the course established by a Tory government in the thirties by setting up camps at 20 cents a day to take care of the Indians on the reserves?

Mr. Pickersgill: No, sir.

ADMINISTRATION OF JUSTICE

DOMINION STORES—REFERENCE TO ADVERTISEMENT IN "GLOBE AND MAIL"

On the orders of the day:

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, I should like to direct a question to the Minister of Justice. Has the minister had a chance to determine whether or not the two-page advertisement in this morning's *Globe and Mail* by Dominion Stores offering a prize of $2,500 to a lucky customer is a violation of section 179 of the Criminal Code which prohibits the element of chance being used in disposing of merchandise?

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, the notice I received from my hon. friend of his question, for which I thank him, is divided into two parts and I should prefer to answer the second part of it first. That was as to whether or not the federal

Department of Justice is concerned about the testing of possible infractions of the Criminal Code.

Of course the Department of Justice is always interested in the results of criminal proceedings in the courts, particularly from the standpoint as to whether these results disclose the need for amendments to the Criminal Code which it is the responsibility of the Department of Justice to recommend to the government and to parliament. But as I have stated on many occasions in the past—and apparently from this question that is now asked, it should be restated—the responsibility under our constitutional system for the enforcement of the criminal law rests with the provincial attorneys general.

It is for this reason that, in reply to my hon. friend's first question as to whether or not the two full pages of advertisements in this morning's *Globe and Mail* are violations of section 179 of the Criminal Code, I would point out first that traditionally the Minister of Justice does not express legal opinions in parliament; and second, that if he did so, I cannot see that there would be any purpose in his expressing a legal opinion in respect of an alleged offence which it is the responsibility of the provincial attorney general to prosecute. In the third place, I would not wish to express any kind of opinion at all with respect to these advertisements until I had before me a detailed police report of the complete set of facts upon which crown counsel would have to rely in any prosecution based upon such advertisement.

PERJURY BEFORE SENATE COMMITTEE—RESPONSIBILITY FOR ACTION

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I should like to direct a supplementary question to the Minister of Justice. If it is not possible for him to get legal advice can he explain the procedure? In other words, will the minister explain to the house how, if a member of the House of Commons receives what he believes to be responsible information relative to alleged perjury before a divorce committee of the other house, a charge of perjury can be laid? Will the minister, if he can, further explain, if no action is taken prior to the transcript of evidence and the divorce bill being received by the House of Commons, what procedure on perjury may then be pursued? I feel that this is a question of urgency, Mr. Speaker, because only a few moments ago you mentioned that divorce bills have been passed by the other place and referred to the House of Commons.

Hon. Stuart S. Garson (Minister of Justice): In reply to my hon. friend's question, I apprehend that where a crime takes place in Ontario the proper official to prosecute is the crown attorney representing the department of the attorney general in the particular judicial district in which the crime took place.

Mr. Winch: But who lays the information if the crime took place in a divorce committee of the other place?

Mr. Garson: I think any interested person could lay it if he wished to do so. My hon. friend himself could do it.

[*Later:*]

Mr. Winch: Mr. Speaker, I should like to ask the Minister of Justice a supplementary question which I think is important. Will the Minister of Justice inform the house whether or not the courts of Ontario have jurisdiction over the other place and the House of Commons and the evidence or operations given before or carried out by a committee of the other place? Will the minister in answering that also inform the house whether if a bill is passed in the other place and the House of Commons dealing with divorce that would not negate any charge by a private member of perjury, with the act having been passed. Third, as a further supplementary question, would the Minister of Justice also tell the house why a private member should have to do the minister's job for him?

Mr. Garson: My hon. friend has been here for a sufficient length of time to have learned some of the basic rules of this house. One of those rules, as has been stated by the Prime Minister (Mr. St. Laurent) yesterday and by myself just a few moments ago, is that the Minister of Justice does not give legal opinions on the floor of the house to members of the house. If he did and if he were a prudent lawyer I think he would not give an answer to the type of question which my hon. friend has just asked inside of ten seconds after my hon. friend took his seat.

Mr. Winch: Will the minister take that question as notice in order to give himself time to think out a further answer?

FINANCE

REFERENCE TO PRESS REPORT OF STATEMENT BY MINISTER

On the orders of the day:

Mr. J. W. Monteith (Perth): Mr. Speaker, I should like to direct a question to the Minister of Finance. Is the minister correctly

reported in a Canadian Press dispatch from Toronto as having said last Monday evening that little businesses may have felt the scarcity of credit more than others? If so, will the minister assure the house that he will do something about his credit restrictions to end such discrimination against such small businesses?

Hon. W. E. Harris (Minister of Finance): I think I will answer as I answered the questions yesterday, Mr. Speaker, by saying that I will be glad to send a copy of my notes to my hon. friend.

INQUIRY AS TO ANNOUNCEMENT OF PAYMENTS UNDER MUNICIPAL GRANTS ACT

On the orders of the day:

Mr. G. K. Fraser (Peterborough): Mr. Speaker, I should like to address a question to the Minister of Finance. As municipalities are now making up their budgets and tax rates for 1957, can the minister say when they will be notified as to what the government will pay them under the Municipal Grants Act?

Hon. W. E. Harris (Minister of Finance): Yes; I shall be glad to say that. I hope that when we have disposed of the supplementary estimates and such days as are allotted for private members, the Canada Council bill and the Canadian wheat board bill, we will then come to the municipal grants resolution.

Mr. Knowles: Then it will be time to dispose of the government.

HEALTH INSURANCE

REPORTED DELAY IN IMPLEMENTATION BY FEDERAL GOVERNMENT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. Will the minister comment on the report on the front page of this morning's *Globe and Mail* to the effect that the federal government is now hedging on the question of health insurance? Will he also indicate what steps the federal government proposes to take to make it clear to the Canadian people that this important matter will not be delayed?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, I thank the hon. gentleman for asking this question. I may tell him that a few moments before coming into the house the hon. member for Hamilton South (Mr. Reinke) expressed the feeling that the editorial in the *Globe and Mail* this morning was one that did not represent the situation—

Mr. Knowles: I referred to the article on the front page.

Mr. Martin: —and that the article on the front page was one that likewise was so far away from the facts that perhaps I should comment on both. I told the hon. gentleman that I thought the editorial and the article spoke for themselves—that there was no one in this house who would not conclude, having followed these events, that I have been interested in this matter from the first and that the government had given every indication, by the initiative it has taken, that it, too, was interested in the matter of hospital insurance.

The government is, of course, not "hedging" in any way. The hon. gentleman has given this matter a great deal of study, and he knows it is very important in all questions of this kind that before we embark upon agreed procedures we clearly understand what we are seeking to do. The important thing to keep in mind is what the federal offer means to Ontario and to other provinces. It means, for Canada as a whole, that the federal government will be meeting half the cost of standard ward care, laboratory and radiological services for all persons in the population who are brought within the scheme.

The federal government, together with, I am sure, every hon. member who has studied this matter, wishes to see everyone possible brought within the scheme in order that the reduced charges which are made possible by this generous offer—and that is what it is—may be made effective for our people. We do not want to see a situation develop in any province where only a small portion of the population is covered and the rest are not. In such a situation, while the federal expenditure would be proportionately reduced, the result would be far from satisfactory. The population covered under the federal proposal would be receiving hospitalization at a greatly reduced cost as a result of the federal contribution, while the population not covered would have to go on as before, meeting the full cost of its hospital care.

I indicated previously in this house, following the tabling of the plan by the premier of Ontario, that I had every reason to be optimistic and that I felt it would prove possible for the premier and the government of Ontario, after negotiations which are necessary in a matter of this sort, to bring their plan within the principles envisaged

in the federal proposals. I am still hopeful as to the outcome. The federal government put forward this plan a year ago. Three provinces have accepted it. The province of Ontario has taken a step which would seem to advance that proposal, and there would be no one more happy to see this proposal realized at the earliest possible date than the present government.

Mr. Knowles: May I ask the minister a supplementary question? Now that four provinces representing 54 per cent of the population of Canada have virtually agreed to enter the plan, what steps is the government taking to persuade some other provinces to agree, particularly the three provinces in Canada which have Liberal governments, not one of which has yet agreed to the federal proposal?

Mr. Martin: My hon. friend has asked this question before, and he always asks: what steps are we taking to bring in other provinces, including those provinces with Liberal governments? That is a fair question, but this is a fair retort: it is a Liberal government which took the initiative in this matter.

Mr. E. D. Fulton (Kamloops): May I ask the Minister of National Health and Welfare a supplementary question. Is it a fact that the area of disagreement between the federal government and the Ontario government relates to the percentage of the population that would be covered; and, if that is correct, what is the percentage which the federal government regards as a minimum?

Mr. Martin: The hon. member for Kamloops asked me that question last week, and he will remember that I told him that until the correspondence between the premier of Ontario and the Prime Minister of Canada has been tabled in accordance with mutual arrangements, I could not disclose the nature of that correspondence. When the hon. member for Winnipeg North Centre asked me the other day if we would table that correspondence I said I would take steps at once to ascertain the wishes of the premier of Ontario in the matter. That has been done, the premier of Ontario has consented to the tabling of this correspondence, and I hope that can take place on Monday or Tuesday of next week.

Mr. Knowles: In view of the minister's admission that my previous question was a fair one—the question regarding negotiations with other provinces—will he also table the correspondence he has had with the governments of provinces which have not yet agreed to the scheme, particularly his correspondence with those provinces that have Liberal governments?

Mr. Martin: As the hon. gentleman well knows, the government has been active in this matter since it was first introduced. The persuasions we have sought to exercise have not always, as he knows, been contained in letters, but to the extent that this is the case I should be very glad to ask the consent of the governments concerned to publication.

Mr. Clarence Gillis (Cape Breton South): I wonder if I could obtain a little more information from the minister on this same subject? The alleged hospital insurance scheme of the Ontario government will not become operative until 1959. Does that mean that, if the federal government is successful in getting the percentage of the population that is required into the national scheme, the national scheme would be held up until 1959?

I am interested in this date 1959 because that happens to be election year in Ontario.

Mr. Martin: The hon. member is always very perspicacious in these matters, but I cannot comment on his last observation now except to say that once six provinces representing a majority of the people of Canada accept the federal proposal, there is no reason why we cannot proceed without delay.

HEALTH AND WELFARE

INQUIRY AS TO RESEARCH IN HEART DISEASES

On the orders of the day:

Mr. A. M. Campbell (The Battlefords): I would like, Mr. Speaker, to address a question to the Minister of National Health and Welfare. What heart foundations exist in Canada today, and, second, what moneys have been allotted by the federal government for research in heart diseases to each of the different provinces of Canada?

Mr. F. G. Robertson (Parliamentary Assistant to the Minister of National Health and Welfare): Mr. Speaker, I would like to answer this question on behalf of the Minister of National Health and Welfare, and I thank the hon. member for having given notice of his question in advance.

The answer to the first part is: the National Heart Foundation of Canada and the Ontario Heart Foundation. The National Heart Foundation was established through the work of the Department of National Health and Welfare and other interested parties.

The answer to the second question: a total of $1,189,343 has been made available to the provinces under the national health program

from 1949-50 to date for heart research. Details by provinces are as follows:

	Research projects	Special equipment
Quebec	$240,454	$363,097
Ontario	492,916	26,413
Manitoba	12,348	
Saskatchewan	46,081	
British Columbia	8,034	
All provinces 1949-57	$799,833	$389,510

GRAIN

REQUEST FOR STATEMENT ON FEED GRAIN SUBSIDY

On the orders of the day:

Mr. F. G. J. Hahn (New Westminster): I should like to direct a question to the Minister of Finance. Is he now in a position to answer the question with respect to feed grain subsidies that I asked on January 25 during the discussion of estimates?

Hon. W. E. Harris (Minister of Finance): No, Mr. Speaker. At the conclusion of that debate I asked that the various questions be answered for me, particularly the financial ones, but I have not received the answers yet.

CANADA ELECTIONS ACT

EXTENSION OF RIGHT TO VOTE AT ADVANCE POLLS

Mr. Stanley Knowles (Winnipeg North Centre) moved the second reading of Bill No. 5, to amend the Canada Elections Act.

He said: Mr. Speaker, the purpose of Bill No. 5, which is identical with a bill I had the privilege of presenting to the house last year, is to extend the privilege of voting at advance polls in federal elections so that that privilege may be enjoyed by any qualified elector who finds that he will be absent from his home constituency on election day. Hon. members who may have looked at the bill, either last year or this year, will recognize that it is a document of some nine pages and that there might seem to be quite a few details in it. Let me make it perfectly clear that all the other changes in the act proposed in Bill No. 5 are purely consequential changes arising out of the change with regard to voting at advance polls.

I wish also to make it clear that the particular changes suggested by my bill consequential upon that major change are not sacrosanct. I mean by that that it would be quite satisfactory so far as I am concerned if the details of those consequential changes were altered by a committee after second reading of the bill. What is important in the bill and in any event what one should stick to in speaking to its second reading is its main principle, which is to make it possible for any qualified elector in a federal election to vote at an advance poll if he finds that he will be away from home on election day.

As hon. members are aware, the Canada Elections Act as it now stands makes provision for advance polls but the right to vote at those advance polls is limited to a very few categories of Canadian citizens. The only ones who may vote at advance polls are commercial travellers, fishermen, employees on railways, vessels, aircraft and so on, who in the course of their duties are required to be away from home on election day, together with members of the Royal Canadian Mounted Police.

I think all members will agree that one of the most common grievances drawn to our attention at election time, and all of us in this place have had experience with elections, is the fact that many ordinary people who find they will be away from home on election day cannot vote at an advance poll. It is particularly annoying to voters to discover that they cannot vote at an advance poll when they are aware of the fact that an advance poll does exist. This strikes those so denied that right as a form of discrimination, and I am sure all of us can tell stories of many protests that arise with regard to this matter at every election.

There is another way in which it seems to me there is a form of discrimination with respect to this matter. It arises from the fact that when a general election is held in the summertime, and most of our elections are held in the summer months, there are always people who are away on holidays at that particular time. Some people can afford to return to their homes for election day in order to cast their vote. Others who happen to be away for their holidays during a period that runs over election day cannot afford to make the trip home, and there again one comes up against a feeling of discrimination.

Not only because grievances of this kind should in my view be met, not only because any element of discrimination should, if at all possible, be removed, but because the bill is in line with the basic principle underlying the establishment of the franchise in a democratic country do I feel that it should be supported by the House of Commons. That basic principle in a democracy is that the right to vote should not be restricted but rather should be made available to as wide a group of our citizens as possible, and if one is going to carry out that principle barriers such as this should be removed.

Let us tell ourselves, as has often been said when the elections act is under discussion in parliament, that the matter of voting is not something that belongs to us

because we happen to be in parliament. It does not belong to the government. It does not even belong to parliament. It is a right that belongs to the people of Canada. Our only job on their behalf is to make sure that the law governing that right to vote is as fair, generous and democratic as it can possibly be. So long as some of our citizens on election day, because they find they will have to be away from home, are denied the right to vote whereas some other citizens away from home on election day get the right to vote there is this feeling that there is unfairness and discrimination. Therefore, Mr. Speaker, I urge that consideration be given to the principle of this bill which, as I say, would make it possible for any qualified elector away from home on election day to vote at an advance poll.

I do not intend, Mr. Speaker, to violate the rule which I myself quoted a moment ago concerning the requirement that discussion on second reading relate only to the principle of the bill. However, I might perhaps point out some of the details of the bill which, of course, flow from this general change. For example, if more persons are going to be permitted to vote at the advance poll than is now the case, it would obviously be necessary to hold the advance poll a little further ahead of the general election day than is now the case.

My bill makes such a provision. The particular provision that my bill makes, as I have already indicated, is not sacrosanct. That provision can be changed. I mention that point simply to express the hope that hon. members will not take a stand in opposition to the bill merely because there is in its mechanics some detail with which they disagree. I for one would be quite happy in the committee on privileges and elections, if this bill is referred to that committee, to see any change made in mechanics of that kind. The same comment goes for the change as to the date of nomination made necessary in order to facilitate the taking of an advance poll amongst more voters than is the case at the present time.

May I point out, Mr. Speaker, that this privilege of voting at advance polls on a universal basis already obtains in some of our provinces with respect to their provincial elections. Most of the provinces have some advance poll privileges but in several of the eastern provinces, at any rate, those privileges are restricted along lines similar to the restrictions that are still in the Canada Elections Act. But in the four western provinces—I refer to British Columbia, Alberta, Saskatchewan and Manitoba—there are provisions for voting at advance polls by any qualified voter who finds that he has to be away from home on election day. As a matter of fact, even more generous provision is made in two of the western provinces, unless British Columbia has changed it; I have not been able to ascertain whether or not they have done so in recent changes in the election act. With that qualification I say that in two of the western provinces, namely British Columbia and Saskatchewan, even more generous provision is made in that there is absentee voting so that persons who are away from home can vote on election day in the constituency in the province where they happen to be on that day. In the case of Saskatchewan both absentee voting and universal voting at advance polls is provided. So far as Manitoba and Alberta are concerned, there is no provision for absentee voting but the right to vote at advance polls is universal. In other words, any person who is a qualified elector and who finds he must be away from home on election day may vote at the advance poll.

Some of those who have not been too sure whether they can support my bill have thought that maybe its provisions were too wide and that maybe it makes it too easy to vote at the advance poll. May I point out that my bill makes it not quite as easy to vote at an advance poll as is the case in provincial elections in my own province of Manitoba. I quote my own province of Manitoba to my friend the Secretary of State (Mr. Pinard), who no doubt will speak on this matter, because after all it is the only province on the mainland of Canada with a Liberal government. I am therefore sure that he would be interested in the provisions there.

In Manitoba all that is necessary for a qualified voter to vote at the advance poll is to appear in person before a returning officer and obtain a certificate. No affidavit is required. All that is required is simply a personal appearance. Form 19 which is included in the election act in my province simply provides for the returning officer to issue that certificate to any qualified voter who merely appears before him in person. In the case of my bill, it goes at least a little further in that, in order to obtain the right to vote at an advance poll, a voter must not only appear in person before the returning officer but must take an affidavit to the effect that he has reason to believe that he will be away from home on the general election day. I think that is a sufficient protection against abuse of the privilege. I think it is sufficient protection against people voting at the advance poll if it is not necessary for them to do so.

In another debate on this matter the Secretary of State expressed the fear that if advance polls were open to all voters the number of people voting at advance polls would mount until it might exceed the number left to vote on general election day. I still make the point with him—and I hope he accepted it when I made it last year—that it is rather hard to argue in that way when, in any of the provinces where universal voting at advance polls is allowed, there is no experience that would support that idea. In my own province of Manitoba, as in the other western provinces, those who require to vote at advance polls in provincial elections do so, but percentagewise their number is still very small. Nevertheless, the fact that the right is there removes this grievance that is felt very keenly at election time by so many people. That indeed was one of the principal arguments advanced last year by the Secretary of State, namely the feeling that this provision would lead to several election days rather than one main election day. If I thought there was any substance in that fear I certainly would have to give some weight to it. But I suggest to him that he should take note of the experience in the provinces where we have universal voting at advance polls, and that if he does so he will see that that fear is really quite unfounded.

Another objection voiced last year was that made by my friend the hon. member for Nicolet-Yamaska (Mr. Boisvert) who also spoke against this bill. He criticized my proposal on the ground that, if my bill went through, it would be possible for people who were just going away on trips or people who were just going away on holidays to vote at the advance polls. Let there be no secret about it, Mr. Speaker. That is one of the purposes of the bill. Surely, it is not a crime to go away on a holiday. Surely, that is not something that should cost one his right to vote or cost him any of his rights of citizenship. Holidays are becoming more and more general. They will be more general still if certain bills of mine receive favourable consideration before this session is over. At any rate, it is now accepted as part of our life in this country that people should have an annual vacation, and should have it with pay as well, Mr. Speaker.

Also, it is becoming fairly general for our elections to be held during the summer months. If one goes back over quite a number of years, but for the winter election of 1940, one finds that all of our federal elections have been held in what might be called the summer months. I should think there is no doubt but that the general election this year will be held in one of the summer months. At the moment, it looks as though it will be either in the month of May or the month of June; certainly, it will come no later than June 17.

Mr. Pinard: You can still speculate on that, as you did last year.

Mr. Knowles: I thank the Secretary of State for saying I am still free to speculate. I suggest if it does not come by May 27, it will be delayed until June 17.

Mr. Pinard: You have not informed the chief electoral officer as yet?

Mr. Knowles: Not privately, but this information which I am giving here will perhaps suggest to him that he should get his machinery ready. Since the election is coming within a matter of weeks, I hope consideration of this bill might not take too long so that if the House of Commons sees fit, as I hope it will, to adopt it, its provisions can be effective at this year's general election. As I say, I believe it will be on May 27 or in the month of June; certainly not later than June 17.

One or two other objections were raised last year. One that was put up by one of my friends to the right was the extra cost that might be involved in providing for these extra advance polls. Of course, one could use that argument against the franchise generally, that it is a costly business. But surely, it is one of the most beneficial expenditures that we make in a democracy, namely any expenditure that is made to provide for the people to express their views freely as to those whom they want to represent them in parliament.

Some objection was raised in one quarter last year as to whether a provision of this kind might open the way to a greater amount of impersonation at election time. From the experience in my part of the country, that is not a fear that I entertain. The act is well drawn in that respect, in terms of preventing fraud and impersonation. I have tried in this bill to add any additional precautions that are necessary in connection with this further right so that there will not be fraud or impersonation.

In connection with the drafting of this bill, I should like once again to express my thanks to Dr. Maurice Ollivier, our parliamentary counsel, and Mr. Nelson Castonguay, the chief electoral officer, for the help they gave me something over a year ago in preparing this bill. I want to make it quite clear again, as I did last year, that in mentioning their names it does not mean they are either for or against the principle of the bill. It was a real help to have their assistance in putting

in concrete form the changes that would be necessary to carry out this principle.

Mr. Speaker, this right to vote is the property of the Canadian people and not something that belongs to us here in parliament. I feel it should be made as widely available as possible, without any barriers such as the real barrier that is there when some people have to be away from home on election day. I hope that the house will give favourable consideration to this bill, and I hope that it will vote for second reading so that the bill can be referred to a committee where we can make any changes in the mechanics that may be necessary. Nevertheless let us now write into our election law the basic principle that everyone who is a qualified voter should have a right to vote at an advance poll if he finds he will be away from home on election day.

Hon. Roch Pinard (Secretary of State): After reading this bill and comparing it with the bill introduced last year, it is obvious that the two are identical. I can add also that, so far as I am concerned, I thought the arguments advanced in favour of the adoption of second reading of the bill by my hon. friend were substantially the same. I do not think he added very much to what he said in favour of the bill last year, except that he expressed certain views on the arguments advanced by other members in the house who opposed the measure last year.

As I said before, I intend to be very brief because I do not feel it would be proper for me to repeat the arguments against the adoption of this measure which I advanced last year. I think the fact remains that, in my opinion, the main argument to be put forward in opposition to the measure resides in the fact that, as the hon. member indicated himself when he referred to what I said last year, if we allow a multiplication of these advance polls you will defeat the main purpose of the act which is to permit the Canadian people to choose their representatives in this house on one specified date. In other words, if one reads the Canada Elections Act and studies it carefully, he must come to the conclusion that all the sections of the act converge upon one main event which is polling day itself.

The hon. member said that, under the act as it now stands, there are very few people who are authorized to vote at an advance poll. I admit that, and I say that there are very few because they have to be exceptions to the general rule and there have to be very serious reasons to justify the electors of Canada not to take advantage of that one occasion they have every four or five years to freely choose the men or women they wish to represent them in parliament. I feel that if we were to multiply these advance polls, if we were to accept the very wide proposal put forward by my hon. friend that whoever believes he is going to be away on polling day will be able to cast his vote at an advance poll, then I am sure the result would be that a great many would vote at such advance poll. Last year, my hon. friend said he thought this argument was absurd. He said the suggestion was absurd because that had not happened in his province.

I do not know exactly when these advance polls were established in his province, but one thing is certain. If you allow a greater number of people to vote at the advance polls, if you tell them they do not have to concern themselves about being in their constituencies on election day but they will be entitled to vote on two or three days other than on polling day, then a great number will take advantage of that privilege. Surely the number will increase. Will it increase to the extent some day of having more people voting on these other polling days than on polling day itself? I do not know, but one may suspect and may have reason to believe that eventually the interest in polling day itself will be completely lost. In other words, is it not a true contention that there might be more people voting at these advance polls? I submit that you could have the result of having fewer people voting on polling day itself because they will say, "We have the opportunity to vote on three or four different days" and the interest of the electors will be lost, in my opinion, in the very day on which they have to make their choice.

My hon. friend has referred to the delay between nomination day and polling which, under the proposal, will be extended to 21 days. He thinks that 21 days should be allowed instead of 14 days. So far as I am concerned, the 14 days that do exist under the act are very important for the electors to form a judgment as to whom they are going to choose to represent them in parliament. In other words, if the elector is going to be away, as the proposal suggests, during the nine days, if he is going to be away on his holidays—it is true he has a right to have his holidays—nobody will contest that, but is it not a fact that he should, when he knows that arrangements are made long in advance and election day has been announced a long time before, feel that it is his obligation, if he wants to have the privilege, to see to it that he is well informed as to the candidates who are running in the election so that he can form a sound judgment and make a proper choice? In other words, I am trying to make the point as clear as I can that we should not destroy the significance of polling day as being the one day under the act when an election is to be held, and that we should

not, by allowing other days to be used for the purpose, destroy the significance of polling day itself.

The hon. member referred to costs and said that this point was raised last year. I also raised it myself. It is true that the matter of costs should not prompt us to decide against the principle underlined in this bill. It is true that the question of costs should not be sufficient for us to dispose of this matter and say, "Because it is going to be too costly we are going to vote against this bill." But surely one should think of the additional costs that these advance polls would entail. I was informed last year it would cost approximately $500,000 to create the number of advance polls in rural and urban districts which would be necessary to have this proposal implemented. Well, the cost in itself may not be of prime importance; but surely, if, as my hon. friend himself says, it did not produce very much in the way of additional votes in his own province of Manitoba we are going to spend $500,000 to have, in his opinion, the same result of not getting very much more interest on the part of voters in these additional days set out in the proposal? The hon. member will probably say, "You are making your choice in your argument". In other words, it is either going to decrease the importance of polling day or it is going to increase the importance of these additional days. My own view is that if we allow two or three more days besides polling day for voters to exercise their right we will have a greater number of people taking advantage of it and thus diminish and reduce the importance and significance of polling day.

I also said last year that the matter had been discussed before in committee. My hon. friend said that this should not be a matter for us alone to decide; that it should not be a matter for the government to decide. I fully agree that it should not be a matter for the government to decide but it should be for the people of Canada themselves to decide whether or not there should be more advantages given to the people to vote at these advance polls. Surely, this has to be done one way or another. I suggest it has to be done by parliament, and parliament has agreed to have this matter discussed by a committee. The matter was referred to a committee and was fully discussed there. The proposal was then negatived on division and by a large majority in the committee. Last year the very same proposal, advanced with, I believe, no better arguments than those the hon. gentleman used this year, was also negatived on division by a large majority in this house, and I see no additional reason this year why we should change our minds.

Mr. Knowles: It was negatived on the basis of no better arguments than my hon. friend has produced today.

Mr. Pinard: I am going to say that maybe my arguments were not considered by him to be any better than his; but surely there was also the expression by this House of Commons of the views of other people who thought that even if my arguments were not good enough to oppose the measure, they also thought that my hon. friend's arguments were not good enough for them to change their minds. They voted against the measure. I believe the same attitude should be taken this year and that we ought not to change the situation for the moment, at least until the time came when we were convinced of the soundness of the proposal. After all, provincial governments, after having decided they should do so, have established advance polls and experience has been gained in four provinces, according to what my hon. friend has said. I would like very much to be able to study statistics of what actually happened there. It is quite difficult to do so because you have a number of people who cast their votes in one election, and you see that in another election the issues were of such greater importance that you have a greater number of voters at that election. To my way of thinking, this does not establish the fact that it was simply the normal procedure. There was simply a more important issue. For instance it could very well be the fact that the people were so satisfied with the government they had in Manitoba that they felt they should not take too much advantage of the advance polls created by the government to express dissatisfaction, with the result that the same government was re-elected.

I say it is difficult in studying statistics to come to a conclusion which will be different from the argument I think I was making rightly. I would like my hon. friend to be able to convince me that I am wrong. It is not enough for him simply to say that my argument appears to be absurd to convince me that I am wrong, unless he proves the absurdity of the argument.

Mr. Knowles: May I ask a question?

Mr. Pinard: Yes.

Mr. Knowles: Does the Secretary of State know of any cases to prove his assertion with which he can answer my drawing on certain examples where it has not happened?

Mr. Pinard: No. The only thing my hon. friend has been able to give us is the experience in his own province. Whether that was the province which adopted the system many years ago I do not know. I do not know how many years ago it was adopted by Manitoba.

Mr. Knowles: Many years ago.

Mr. Pinard: Has more than one election been held in Manitoba since the system was adopted?

Mr. Knowles: I am sorry; I am unable to give the year, but I myself voted at an advance poll in 1936.

Mr. Pinard: Maybe my hon. friend was a commercial traveller at that time?

Mr. Knowles: Oh, no. It was universal in 1936.

Mr. Pinard: In other words, at that time my hon. friend took advantage of the system by simply taking advantage of the same proposal that he now has before the house.

Mr. Knowles: That is right.

Mr. Pinard: It would be quite interesting to make a study of the statistics to find out whether his claim is right that there has not been a very substantial increase in the number of voters at advance polls, because it is very difficult for me to believe that if you allow practically anyone who feels that he is going to be away on election day to vote at an advance poll, you will not increase by a very large number the proportion of people voting at these advance polls.

You say it is not an argument simply to affirm that, but to me it is pure logic to believe that if one can perform that duty, on two occasions, 10 or 11 days before polling day, you will have a greater number of people taking advantage of that opportunity than otherwise.

Mr. Knowles: Is it pure logic to believe that what has not happened would happen?

Mr. Pinard: What has not happened in the provinces. I do not deny what my hon. friend says, that the situation may have not changed materially, but I think he has also admitted that there was in fact an increase in the number of voters who voted at advance polls in his own province. I think he said that last year.

Mr. Knowles: I do not think there has been, but I agree that it might be wise to have statistics collected. Perhaps the minister is now in a position—

Mr. Pinard: I know my hon. friend is going to suggest that we send the bill to a committee, but that is not the only reason why I object to it. I submit that it would not be a wise thing to do to destroy the significance and importance of polling day. It is all right for us to say that it is a privilege, that the people should be able to enjoy that privilege; I agree with that general principle. But there is also an obligation on the part of the electors to have enough interest in the election to cast their votes.

Mr. Winch: Suppose an elector cannot be in his riding on that day?

Mr. Pinard: There are many things that would prevent a person exercising his right to vote, but is parliament to be asked to arrange mechanics so that people may vote on days other than polling day simply because electors find themselves in some difficulty? I do not think that the purposes of the act would be served if we did that. So far as I am concerned I am not convinced that we should go as far as my hon. friend suggests and I do not think that we should for the time being go further than what the act provides.

Mr. F. D. Shaw (Red Deer): Mr. Speaker, having examined the bill, having listened to its sponsor and having just heard what the minister had to say I am thoroughly convinced that the sponsor has won by a margin of about 75 to 1. We realize fully that there are difficulties in making a move in a new direction, difficulties which have to be met and overcome. We in Canada frequently deplore the fact that such a substantial percentage of qualified electors do not vote. Some have legitimate reasons, some have reasons that are not legitimate, but surely there is a responsibility upon us to make it possible as far as is reasonable for all qualified electors to vote. In some countries they have compulsory voting, something to which I am wholly opposed, but on the other hand if we are not going to have more and more people talking in terms of compulsory voting we must make every conceivable effort to make it possible for those who are qualified to be able to vote.

Throughout his remarks the minister laid emphasis upon the significance of a day. To me that is wholly wrong; the emphasis should be on the significance of a fact, not upon the significance of a specific day. If voting is the important thing which we all regard it as being, surely whether it is done on a Friday or Monday, or even on both days, or on any day during a period of four days, does not detract from its significance.

Surely we all look forward to election day, but I cannot for one minute find any validity in an argument based upon a day rather than upon a fact. The minister indicates that he

believes more and more people would take advantage of the advance poll. That would be the case even if no change were made because with our increases in population there are going to be more and more persons occupied in those professions or activities or lines of work which would qualify them to vote in an advance poll. That is not a legitimate argument as far as I am concerned. Numbers should not enter into the matter, it is the principle of the thing upon which we should base our thinking.

Surely the federal government is no less desirous of granting to the electors of Canada the right to vote than are certain of the provinces. There are four provinces which have considered it advisable, based upon experience, to permit certain qualified electors to vote at advance polls. I have not heard any argument advanced as yet that leads me to believe that the federal government should not pursue exactly the same course in relation to the consideration of qualified electors in the federal field.

The minister referred to statistics indicating the experience in the provincial field. Surely there has been enough experience in those provinces where advance polls have been provided to warrant the minister's department examining the statistics.

Mr. Pinard: Does the hon. member think that there is an obligation upon the minister, who is responsible to parliament only as a spokesman for the chief electoral officer, to gather those statistics? I think the matter of statistics is something for anyone to deal with. What I would have thought is that this would have been an excellent occasion on which to supply these statistics so that hon. members would know.

Mr. Shaw: If the minister intended to make any reference whatsoever to statistics in this debate I would have thought he would have obtained all available statistics before participating in the debate. As members of this house we are all interested in this matter and those of us who come from provinces which are more generous with respect to advance polls are convinced that those provinces are right in doing what they did in that connection and permitting qualified persons to vote at advance polls. As the minister of the department under which the elections act is administered I would have thought he would have secured statistics in order to bolster whatever argument he may have wanted to make today.

With respect to this question of holidays, it is a fact that nowadays holidays for employees are often established six, seven or eight months in advance. Most employees get from ten days' to two weeks' holidays, and with travel conditions what they are today reservations must be made frequently some time in advance. While it may be argued that an elector could defer his holidays one day in order to vote, it is equally true that a great many complications would be created as a consequence of such a change.

I wonder why the sponsor of the bill, instead of suggesting a certain number of days for advance polls, did not suggest an extension of the voting period for three or four days. I am not advancing that as a suggestion, but if that were done it might result in even greater simplification. Once again the minister would probably suggest that that would reduce the significance of the day, but I still say to him that it is not a matter of one specific day.

Some hon. Members: Hear, hear.

Mr. Shaw: If there are going to be interjections I wish they would be made in such a way that I could understand them. Many of these interjections manage to get into *Hansard* when the hon. member who is speaking has not even heard them and therefore cannot answer them. I did not say I was advancing that idea at all. I am supporting the measure sponsored by the hon. member for Winnipeg North Centre (Mr. Knowles) wherein he is asking, in the main that a greater number of the qualified electors of Canada be permitted the opportunity of voting at advance polls and I, personally, have heard no argument yet that leads me to believe that such a thing should not, or could not, be approved by the government. I am sure it would be to the advantage of all Canadians and that we would find the total over-all vote in Canada, among those properly qualified to vote, increased very substantially.

After all, it should be one of our duties to enable just as many Canadian electors as possible to vote. I am not overlooking the fact that there is also a great responsibility upon the shoulders of the qualified electors themselves to go to the polls. I have said that in the past, and I will continue to say it. We see no reason whatever, Mr. Speaker, for not supporting the measure which the hon. member for Winnipeg North Centre has sponsored.

Mr. G. K. Fraser (Peterborough): Mr. Speaker, I would like to say a few words on this bill. I have been a member of the election committee for a number of years; I have also taken part in a few elections.

I do not know whether or not I know anything about elections, but I have studied the Elections Act and I think I know a little about that.

The Elections Act has been amended over the years, and I think that each time it has been amended something was done that has proved to the advantage of the voters throughout Canada. However, I certainly do not feel, Mr. Speaker, that this bill should be brought in at this time, just a few months before elections take place. What I am afraid of is this: newspapers are circulated, people read *Hansard*—as a few of them do—and they may get the impression, despite the fact that this bill may not become law, that they would still have an opportunity to vote on an advance poll. Because, at an election time, many people get queer ideas as to where they should vote, how they should vote and everything else.

As to the suggestion that was made a moment ago about the advanced polling day—making it three or four days instead of one—people might get that into their heads, and, instead of turning up on voting day, choose the next day to go to the polls. I am very much afraid of that. It occurs to me, also, that some people might come to the conclusion that they could go to an advance poll nine or ten days ahead of time, and that everything would still be all right. They might make arrangements, ahead of time, to go away on the regular voting day, and I believe that, in fairness to the voters and to hon. members of this house, this bill should be shelved at the present time and brought up in committee next year when the committee on elections would have an opportunity to call in witnesses and find out just what we could do about the proposals.

When this matter was before the elections committee on a previous occasion, I myself advanced the suggestion that we should extend the privilege of the advance poll, but my proposals were turned down. I feel that during the coming election which, I understand, is not many months away, the members here may also have an opportuniy to prepare suggestions which they could put before the elections committee at the next session of parliament.

I understand that at present practically all the literature and necessary instructions have been sent out to the returning officers throughout the country. Those instructions could not very well be changed at the present time because in some cases the returning officers have, in turn, sent out literature to the deputy returning officers. One thing I do object to is the change which this bill proposes in the nomination date—a change from 14 to 21 days. I think that is entirely too early before the election.

It has been suggested—and I know the chief electoral officer has so stated—that these proposals would cost the taxpayer a great many thousands of dollars more. Personally, I feel that anything that could be done to help the voter should be done, despite what it might cost. I do not think dollars should enter into this; I think it is the principle that matters—the question of what is right and what is wrong. I myself, am in favour, as I said, of extending the privilege of the advance poll but I do not feel that this is the time at which to do it. I believe that in Ontario, at the last election, extension of the privilege of the advance poll did help to some extent but not to any great extent; I do not think the vote was any higher than it would have been if facilities had not been widened as they were. Under this bill, as I read it, the advance poll is to be nine or ten days before voting day. The voting list would have to be marked, checked and so on, and I feel that that, also, would cause quite a lot of difficulty at the present time in view of the short time that would exist in which to make arrangements.

Then again, if this were "wide open" there is every possibility that people might flock to the poll nine or ten days ahead of time and forget about the poll on election day; and we might have them voting nine or ten days ahead of time, instead of on voting day. Whether that would be true or not I do not know.

At the present time, commercial travellers, people on vessels, aircraft and so on are covered. I remember that at the election which was held on the 10th of August, 1953, there were in my riding some 32 school teachers who were attending summer school at London, Ontario. They all lost their votes because they were too far away to return to Peterborough to vote. Moreover, their examination in London took place on the same day as election day. They were quite sore about it, but I think that is not the fault of the Elections Act; it was the government's fault because they must have felt that these school teachers would vote for the Conservative party. I see the minister shaking his head, but I know I would have received a lot of those votes if those teachers had been able to vote on that day.

Another point: if this were "wide open", and a person could vote nine or ten days ahead of an election, there would be the possibility that between that date and election day the government might move one of its military commands into another riding about which they might have felt doubts.

Whether that could be done or not, I do not know, but there has been skulduggery in the past, and I think all this machinery should be worked out and considered well in advance.

Some time ago, hon. members may be interested to hear, I discovered that two men who voted during the election in my own riding had also voted in a riding very close to mine, and had I not been elected I would certainly have taken the matter up.

An hon. Member: Maybe they voted for you.

Mr. Fraser (Peterborough): I know perfectly well they voted against me because they were rounding up votes for the other side—not in my riding but in the neighbouring one.

An hon. Member: That is not always a clear case.

Mr. Fraser (Peterborough): No, but it was in this case. It was mentioned in the elections committee that the cost of an advance poll was $130. I believe there will be four advance polls in Peterborough riding for the forthcoming election and I doubt whether they will get away with $130 because the inflation brought on by the government will mean that the cost will likely be $160 or $170.

Mr. Green: Or $260.

Mr. Fraser (Peterborough): Or $260, as one member mentions. I said at the beginning of my remarks that I object to the bill at the present time. I also object to certain changes proposed in the bill. One thing in particular to which I object is the provision that nomination day shall be 21 days before election day instead of 14 days. Therefore I will not vote for the bill.

Mr. Elmore Philpott (Vancouver South): Mr. Speaker, I want to say a few words on the bill. Very often I find myself in support of some of the proposals of the hon. member for Winnipeg North Centre (Mr. Knowles) but I cannot find too much to support in the bill now before us. I have been thinking about the matter since last year and I have not found any new reason why the bill is deserving of support. As far as I am concerned, I am quite frank in saying that I think it will do no great harm. If there were wide open advance pools at which electors could vote a week or two in advance of the regular polling day I believe it would do no harm. It would probably cost the country a little more money to register the vote but in my opinion it would not likely alter the result.

[Mr. Fraser (Peterborough).]

But I believe there are certain very real technical objections to the proposal. There seems to be some validity in the argument that if you confine advance polls to a few categories like commercial travellers, railroad men and so on you are discriminating in their favour compared with other people, and I think that is quite correct. But it is also true that no matter how you extend the categories you are going to discriminate against some people on some ground. At the present time voting is confined to one general election day for all the people plus one or two extra days for a certain few categories. But if we widen that to include all categories it will still rule out certain people who cannot be there on the particular days that the polls are open. It seems to me that the hon. member's definition is wider this year than last year.

Mr. Knowles: The same bill exactly.

Mr. Philpott: In any event, taking the bill as it stands and taking the hon. member's own argument about people who go away on holidays, there will always be some people who will be ruled out on the ground that they are away on holidays because people now go away on two week vacations or three week vacations. Incidentally, my hon. friend has another bill having to do with vacations which would make more people eligible for longer vacations, and as far as that bill is concerned I am certainly with him 100 per cent.

The more I think about the bill now before us the more I think that it really would not do too much good for the country. In my opinion the onus is on anyone who wants a reform of any kind to prove his case by logic in advance, and it is not a bad thing for democracy to have the dead weight, if you want to call it that, of lethargy on the other side with respect to all these reforms.

Reference was made this afternoon to the fact that the four western provinces have adopted some of these innovations and it was said that the four western provinces have set us such a good example that we in the federal field should do the same thing. In all earnestness I cannot honestly say that since the four western provinces adopted some of these new voting techniques we have had any more intelligent verdicts from the people of those provinces than we had under the old system. I for one am quite interested to note that while the present government of British Columbia came to power under one voting system it was not too long before it switched back to the old voting system. I notice that even my hon. friends of the Social Credit

group, who for so many years were so proud of the switched vote system, have now switched back to the good, old, tried, trusty and reliable one X system of British voting.

I for one do not believe that we should go overboard too quickly or introduce too many of these innovations. While I am quite frank to say that I would not have any objection to the bill because I do not think it would do any harm and might do a little good, nevertheless I think it would be costly and expensive and that the expense would probably outbalance the benefit.

There is one final point I wish to make. The most serious objection I see to my hon. friend's bill, having reflected about it since last year, is the provision whereby nomination day would be fixed even farther ahead of voting day than under the present system. I think that our election procedures in Canada are too long drawn out, too laborious and too expensive. The hon. member for Red Deer (Mr. Shaw), for whom I have great respect, suggested that we might keep the general polls open for longer than one day. I think most of the expense of holding an election is centred right around one day now and if we kept the polls open for two days the expense would be twice as great. If we kept them open three days it would be three times as great.

I think our election techniques are now too expensive and long drawn out. I have had the great privilege in my professional capacity of having to cover British election campaigns. In 1951 I had the great privilege of following the then Mr. Churchill on his election campaign. I was interested and amazed to notice that they can dissolve their house and complete the holding of an election in less than one month. If there is one reason why my hon. friend's proposal has more objections to it than advantages it is that by setting nomination day ahead we would make our elections even more prolonged than they are now.

Mr. Knowles: Would the hon. member permit a question before he sits down? Is he aware of the fact that he voted for the bill last year? The hon. member and the hon. member for Mackenzie River (Mr. Hardie) both voted for it. I hope the hon. member is not slipping backward.

Mr. Philpott: No, I am not. I have since given the matter very careful thought. At that time I had only given the matter off-hand consideration. I am sorry that I voted for it then and I have given my reasons today for not supporting the bill.

Mr. Wylie: It would not be the first time that the hon. member changed his mind.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I was rather surprised to hear my fellow British Columbian from Vancouver South get up today and say that he was going to oppose the bill because I had some recollection that he had supported it previously. I was rather going on the assumption that anyone from the province of British Columbia who had the advantage of knowing how this provision, together with the provision for absentee voting, has worked out there over the years would stand up to support the measure proposed by the hon. member for Winnipeg North Centre (Mr. Knowles). As he very well knows, there are a good many of the actions that have been taken by the present provincial government of British Columbia with which I do not agree or which I do not support. But certainly the one specific action which he mentioned in his speech in respect of a change that was made in the voting system is one for which I think they can well be commended. He may recall that that system was put into effect by some of his friends in the provincial field. It is fairly well recognized in British Columbia that it was put in there for a rather specific purpose and that it achieved that purpose but not with the results that his friends had anticipated.

I think that most of the arguments which were advanced by the hon. member for Vancouver South (Mr. Philpott) really were in support of this measure rather than against it. Hence while I agree with some of his arguments I am a bit puzzled by his conclusion. Nevertheless I think perhaps he has a better appreciation of some of the advantages and has a little bit more difficulty in arguing against this bill than has the Secretary of State (Mr. Pinard) who has indicated his opposition to it. It seems to me that the Secretary of State has based his argument largely upon what he supposes might possibly happen if this bill were to be put through this house and that he is prepared to ignore completely the suggestions that are made by people who come from provinces where this system has been in effect over a period of years that goes back as far as the voting memories of many of us at least. They are systems which were introduced by either Liberal or Conservative administrations in former days and which have established themselves over the course of years as being of some aid to the electors in enabling them to vote on election day. The Secretary of State indicates that there might be some necessity for him to get further information on the results in these provinces. Inasmuch as he is the minister who speaks in the house on these matters, I certainly hope that he will take the trouble

to make some study of the way in which the election acts in the western provinces—and, shall I say, in particular in the province of British Columbia—work out.

As I think I may have indicated on former occasions in this house, I believe there are some ways in which our federal elections act is much superior to the provincial elections act that we have in British Columbia. In particular I think that the manner of registration of voters which is provided for in our federal elections act is certainly much better than the system we have in British Columbia. But I also think it is important that members from other sections of the country should have some appreciation—if they are prepared to accept, as I am sure they would say they are, the idea that all possible voters should be able to vote—of the problems that exist through geography and distance in the western parts of the country, and perhaps more particularly in British Columbia than in any other part of Canada because of the terrain being divided by mountains or by waters, thus making intercommunication within the boundaries of electoral districts more difficult than in most other parts of the country.

Certainly from my own experience I know that in the area that I represent in this house this question of people being disqualified in elections is one of great concern. Only last fall when we had a provincial election in British Columbia it was a matter of great concern because a large number of people found that they had not had a proper opportunity of getting on the voters' list. While that particular objection does not arise so much in respect of a federal election, nevertheless the fact remains that a large number of people who have been enumerated and put on the federal election list find themselves unable to vote when voting day comes. That is one of the reasons why I am particularly glad to say a few words in support of the measure introduced by my colleague the hon. member for Winnipeg North Centre (Mr. Knowles).

One of the things on which the Secretary of State seemed to place a good deal of emphasis in his argument was that this measure was going to create a large number of extra advance polls. I would not suggest that, if this bill became law, further advance polls would not be necessary to carry out its provisions. But I think it should be pointed out that the purpose of the bill as announced by my colleague is to increase the number of people who are going to be able to vote and that implicit in the bill and in its principle is not any suggestion that that would necessarily require any multiplication of the number of advance polls. In one section of the bill specific mention is made of that subject matter where it is indicated that it will remain within the discretion of the chief electoral officer as to whether one or more advance polls are set up in an electoral district. Provision is made for the setting up of advance poll districts which in some cases—dependent upon the geographic circumstances of the district—might very well mean that only one advance poll would be necessary in a constituency.

I think no one would argue that, once you set up the facilities for an advance poll and appoint the necessary officers to carry on the advance poll, it would not be possible for them in most cases to handle many more voters than normally are able to vote under the present restricted provision.

I agree with the suggestion that was advanced by my colleague that this is the kind of bill that should go before a committee of the house for study of its details. I am frank to say that if this bill were before a committee and if I had an opportunity of discussing it under those circumstances, I would want to make one or two suggestions for changes in the details of it. I say that because, as I mentioned earlier, in our province lines of communication do not necessarily follow the lines of the electoral districts. I think perhaps Comox-Alberni district is as good an example of that fact as exists anywhere on the coast. In many cases if—as often happens—a large number of people in my district have to leave the place where they are working shortly before an election, they do not go to some other place within the electoral district but rather, if they are loggers or if they are fishermen, they find themselves going into a place like Vancouver. If I were having an opportunity to argue on the details of this bill in committee, I should like to suggest that provision be made, where circumstances warranted it, that electors could vote at an advance poll in another electoral district than the one in which they had been originally enumerated. I feel that perhaps would be a simple way of carrying out a provision for which I have argued, namely the provision for absentee voting in our federal elections act. If the opportunity to vote at an advance poll were made universal, as this bill suggests, then those voting at an advance poll could vote and in the time that elapses before the regular polling day their votes could be transmitted to the electoral district in which they reside for counting.

Perhaps this problem is not one which greatly affects the more densely settled areas of the country, but it certainly is a source

of discontent in many places along the coast because of the particular circumstances that surround the work that the men are doing on the coast. Because of a sudden forest closure as a result of a fire season, they may find themselves forced to move from the logging camps where they are living. This move may occur between enumeration day and polling day, and since they would be out of the electoral district they would find themselves precluded from any opportunity to vote.

I think that the same provision could be made in respect of the fishermen. If the change I am suggesting were incorporated in this bill, I am sure it would be of advantage to the commercial fishermen. While it is true that commercial fishermen are amongst the categories of people who are eligible to vote at advance polls, so far as I am able to observe that provision has actually been of little use to a large number of fishermen in British Columbia. They find it difficult to reach any of the advance polls within the electoral district in which they may be registered because they are so widely scattered along the coast that in most cases it would require a very large number of advance polls in order to accommodate them adequately. It has never been considered a feasible thing to provide that number.

As I listened to the Secretary of State (Mr. Pinard) make some reference to the responsibilities of the electors to use their franchise in relation to the holiday situation, I felt his thinking was a long way from the realities of the industrial society in which we live today. As was pointed out by one of the other speakers, the time has long since passed when the majority of the workers of this country have an individual choice as to the time when they take their holidays. This decision is made for them, and in most cases long in advance.

Mr. Pinard: I do not believe I suggested that this particular person should cancel his holidays. I simply said that it might be possible for him to arrange to be present on polling day.

Mr. Barnett: I quite agree that the minister did not suggest the individual should cancel his holidays, but he placed considerable emphasis upon the seriousness with which an individual elector should regard his responsibility to vote. I would say that implicit in his argument was the suggestion that, if one were to take his duties as a citizen seriously, he would be prepared to cancel his holidays in order to be at his polling place on election day. That was the only conclusion I could come to as I listened to the minister. I quite agree that, theoretically, that may be a desirable state of affairs in this country for the electors to take the issues before them that seriously, but I would submit that it is hardly fair to suggest that the thousands and thousands of industrial workers, who have only one opportunity annually to enjoy a holiday with their families, should have to sacrifice that holiday just because the government of the day has seen fit to set an election date that coincides with the time arranged between the employers and the union as to the time when holidays will be taken. In my opinion, Mr. Speaker, that is the practical situation.

I quite agree that at the time the Canada Elections Act was originally adopted we were living in a largely rural economy and, under those circumstances, the minister's argument as to the ability of the elector to decide whether or not he would be away would be valid. But I submit, Mr. Speaker, that the day has long since passed when that situation prevailed. I think there has been a recognition of that fact because, in a minor way, we have set up advance polls.

Mr. Pinard: I suggested that possibly they could arrange to come back to exercise their franchise and then afterwards return for their holidays. It is not necessary to cancel their holidays.

Mr. Ellis: If he is a thousand miles away, what then?

Mr. Pinard: If he is a thousand miles away, that is another problem.

Mr. Barnett: If the minister were working in a logging camp on Vancouver island and had to pay over $200 to get his family back and forth on their annual holiday, he might take a different view of the matter.

Mr. Pinard: Of course, if the worker were in Japan it would be more difficult for him to come back and exercise his franchise.

Mr. Knowles: The minister would not like me to use that word "absurd" again?

Mr. Pinard: I think it would be absurd then.

Mr. Barnett: The minister referred to Japan, but I do not know of many workers who go to Japan or even get as far as Honolulu.

Mr. Ellis: Don't you want to encourage the tourist industry in Canada?

Mr. Barnett: I am suggesting that this proposal would ensure that every elector would have an opportunity of voting. I feel that the suggestion there should be advance polls at certain times might, in many cases, enable the industrial workers on annual holiday to

arrange their holiday in such a manner that they would, within reason, be at a place where they could vote on election day. I believe that is a right we should be prepared to give to them.

I do not think I need to say much more, Mr. Speaker, except that I cannot agree with the argument of the minister, any more than could the hon. member for Red Deer (Mr. Shaw) as to his emphasis on the particular significance of a certain date to the exclusion of the recognition of the importance of impressing upon people the need to exercise their franchise and the desirability of seeking as wide an opportunity as possible for them to do so. I hope that the minister after due consideration and after having made some study of the experience with this method in western Canada, as has been suggested by the hon. member for Winnipeg North Centre (Mr. Knowles), will, if he happens to be fortunate enough to be a member of this house after the next election, be prepared to take a different attitude than apparently he is prepared to take today. I do not know whether or not the hon. member for Peterborough (Mr. Fraser) voted for or against this proposition last year. I appreciate his suggestion that there may be some practical difficulties in implementing it this year. Nevertheless I feel that if this house had the will, the necessary changes could be made in plenty of time so that there would be no confusion when next election day comes around. So far as I am concerned, I would be prepared to see the government revise its plans as to the election date and give an extension of a couple of weeks in order to achieve the purpose set forth in this bill. I would be interested to know whether the hon. member would have supported it last year or would support it this year, or whether he is just trying to find an excuse not to vote for it this year.

Mr. Fraser (Peterborough): I object to the 21 days instead of 14.

Mr. F. G. J. Hahn (New Westminster): In rising to support the bill I wish to compliment the hon. member for Winnipeg North Centre (Mr. Knowles) who has seen fit again to introduce this bill at this time. There is no denying the fact that Canadians as a whole frequently feel that they are disfranchised and there is no denying also, despite what the hon. member for Vancouver South (Mr. Philpott) had to say, there are those who feel otherwise, even if he has changed his mind. I do not speak for myself alone, sir; I also speak for one of my adversaries.

In this instance, Mr. Speaker, I refer to an article carried by the Surrey *Leader*, which is a local newspaper in my riding. The paper is dated January 24, 1957. It seems that the Liberal association of New Westminster had a convention in that riding and they saw fit to nominate a certain William "Bill" Mott, whom, I am sure, most of the members in this house will recognize. I would ask the minister to pay particular heed to this, because Mr. Mott has a plea here. I think he has a case. In fact, I should not like the same thing to occur again so that the gentleman might have reason to believe that he is not here because too many people were disfranchised owing to their not having the opportunity to vote.

I refer specifically to a couple of matters in this article, Mr. Speaker. I do realize, of course, that one cannot always believe what he sees in the newspapers because I find that the Surrey *Leader*, which is rather pro-Liberal, I must say, said that there were 200 at the convention and a smaller paper, the Whalley *Herald*, said there were nearly 60 at the Liberal meeting.

An hon. Member: Sixty would be more like it.

Mr. Hahn: Let us forget about the discrepancy in numbers for the moment. This is what Mr. Mott apparently had to say at the meeting:

> In his address to the party Mr. Mott mentioned that he was only defeated by 33 votes—

You see, if he had 34 more votes it would have made a big difference in the last election. The article goes on:

> —in the last election, and this was probably due to the fact there were so many people away on holidays.

According to the bill, as I understand it, these 33 voters were disfranchised. Undoubtedly there were many hundreds who were in that position. I personally know of 10 in my own little community who were disfranchised. I am satisfied, sir, that if this legislation were passed we could set up the machinery to make it possible for everybody to vote, and we would then have the true representatives of the people sitting in this house.

I am sure, sir, you will appreciate my feelings at this moment when I realize that I am probably not sitting here by right.

Mr. Pinard: Are you thinking about your own convention?

Mr. Hahn: I am not thinking of my own convention; I have had my convention. The newspaper said there were 500 at that one. It was a Social Credit convention, but that is neither here nor there. The article goes on to say:

> The last election, he felt, had been called at a very inopportune time.

"This year", he continued, "I hope people will set aside their holidays until after the elections take place".

I do not know whether he was hoping that the Social Crediters, the Conservatives, the C.C.F.'s, or just the Liberals, would set aside their holidays, but I am sure the minister must realize that this thing is very important in the eyes of not just those who are running for office, as this gentleman is, but also of the people themselves who have been disfranchised.

I am sure the hon. member for Comox-Alberni (Mr. Barnett) did not raise a ludicrous point when he suggested that many of these people are too many miles from home to come back to vote, as the minister said they might do if they did not wish to be disfranchised. The fact remains that in a metropolitan area, which is so close to the finest fishing and hunting grounds in Canada, probably,—I should say it is definitely—the people cannot be expected to return in the middle of their holidays to exercise their franchise.

We realize the value of the franchise. Many countries have enacted laws making it compulsory for the individual to vote, and here we are just simply setting it aside by voting for it one year, as the hon. member for Vancouver South did, and deciding to vote against it the next year. I have no doubt that if he were to discuss this question with Mr. Mott he would be sure to change his mind and vote for it because I am quite certain that the members of this house, certainly the Liberal electorate, feel that it would be to their advantage, according to this man's statement, to have the advance poll as suggested and have it made much more extensive as is suggested in this bill.

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, when the committee on privileges and elections sat two years ago I was the member of that committee who moved a motion in an attempt to get the committee to recommend the change in the elections act which is envisaged by this bill. For that reason alone I would like to make a few observations. First of all, I think that if we started on common ground we might come to an agreement. It seems that everybody who has taken part in this debate so far has emphasized the extreme importance and significance of voting on election day. The day of voting has been referred to as a privilege to the elector. In a way, it is a privilege, but it is even more than that, Mr. Speaker, because I regard it as a right. We find ourselves in a rather peculiar position here when we who are the representatives of the electors are the ones who have to decide under our constitution who the electors shall be. In other words, we are the body that can say by legislation who may vote and who may not. For that reason I think we have to approach this question extremely carefully, because an elector would have cause for a justifiable grievance and resentment if he felt that his elected representatives were in some way denying him a right which is his.

The minister, in replying to the sponsor's address, spoke of several things but of three things in particular. One, he emphasized the significance of voting day; two, he mentioned the question of costs; and, three, he dealt with the need for further study of statistics and details.

On the question of the significance of voting day, I am sure the minister would not insist upon that as being his main argument.

Mr. Pinard: I do.

Mr. Zaplitny: Other countries in other parts of the world have adopted a system of voting which extends over several days and sometimes over a week. Regardless of what we may think of their policies or of the results of their elections, it must be admitted that many of those countries which have had long experience with democracy have felt it a convenience for the voter to extend the number of days beyond the one day, and apparently no ill effects have been experienced because it has been carried on for quite a number of years. To say that because a certain date is taken it somehow or other acquires great importance and significance is I think placing far too much importance upon that selection.

As to the cost, the minister has said that if there were a large increase or prospective increase in the number of voters as a result of this amendment it might cost somewhere in the neighbourhood of $500,000.

Mr. Pinard: I do not think that is what I said; I think I said that if there were to be enough advance polls established to cover what is involved under the bill, according to information I have received from the chief electoral officer, it would entail an additional expense of about $500,000.

Mr. Zaplitny: I think that is what I said; if I did not say that, that is what I meant. In the opinion of the chief electoral officer the provision of the necessary machinery to accommodate what is provided by this amendment would cost up to $500,000. That is not a small amount of money but in relation to other expenditures I do not think it could be considered to be a large amount

of money if it does the kind of job we intend it to do. I was not present when the hon. member for Restigouche-Madawaska (Mr. Van Horne) spoke, but I have read *Hansard* where he addressed a question to the Prime Minister (Mr. St. Laurent) in which he alleged or inferred that some official of the Liberal party in Canada had made the boast that the party had something like $8 million salted away for the next election. Of course that was neither denied nor confirmed so we have no authentic statistics. However, I venture to say that if they do not have $8 million now, they will have it by the time the election rolls around because all they have to do is to give out a few more concessions for a few more pipe line companies and the money will be there.

I think too much money is spent in this country by political parties trying to persuade the voters to vote this way or that way. If more money were spent in order to provide, as this bill does, the greatest possible facilities for voters to take advantage of polling days or advanced polling days, even if it cost a million and a half instead of half a million dollars, if it were instrumental in making it possible for a greater number of people to express their choice, it would be money much better spent than the several millions of dollars which will be spent by the Liberals or Conservatives or both in the next election.

The minister used as one of his arguments the need for further study, and I noticed that the hon. member for Peterborough (Mr. Fraser) agreed with that argument and said that in his opinion this was not the right time at which to consider this proposed legislation. I think the situation is the exact opposite. I cannot think of a more suitable time to deal with a bill such as this in the committee on elections and privileges. If we are serious in our belief that people take a greater interest in voting as election day approaches, then certainly the next few months should bring about the high-water mark of interest in voting. If there are interested organizations or individuals who have views to express before such a committee, just before the election would be the proper time for them to express those views.

As a matter of fact some organizations have expressed their views already. I have before me copies of the resolutions passed as recently as November of last year by the Manitoba chambers of commerce at their annual convention held in Winnipeg on November 1 and 2. The very first resolution in this booklet which they have circulated refers to voting. It refers to other things besides advance polls, but it does say this:

[Mr. Zaplitny.]

Further that the federal government provides for the advance polls for a reasonable period to accommodate all who certify that they will be unavoidably absent on election day.

That is right in line with the bill we have before us. When a body such as the Manitoba chambers of commerce, which I am sure is not out of line with chambers of commerce in other provinces, with its experience and having had the opportunity to see the advantages of advance poll privileges in Manitoba, expresses a view like that I think it should be given some weight.

I submit that this would be a most suitable time for the house to accept second reading of this bill, which would then go to the committee on privileges and elections. It could then be made known across the country that such a bill was under consideration and chambers of commerce and other organizations which might be interested could have their representatives appear before the committee to advance their arguments and opinions. At the same time, and this was referred to by the minister, the chief electoral officers or their representatives from the four provinces where such systems are in use could be asked to appear before the committee as a courtesy in order to give the committee the benefit of their experience.

The house would lose nothing if this were done. The bill would have to come back from the committee for third reading and the house would then have its final say. But to turn down the bill at this time without giving the committee an opportunity to consider it, without giving organizations across the country the opportunity to place their arguments and views on this important matter before the committee just before election, would I think leave a very poor impression upon the electors. It might appear as though members of this house for one reason or another were quite satisfied to deprive a large number of people in election after election of their right, a right which is theirs under our constitution, to exercise their franchise.

Mr. Claude Ellis (Regina City): Mr. Speaker, the subject matter of this bill is of great importance to the people of my constituency. Of all the complaints one hears about the manner in which our elections are conducted the principal complaint is about discrimination. I am quite sure that other hon. members have had the same experience I have had of people saying: Why should I be discriminated against? I am not a railroader, I am not a commercial traveller, but in order to earn my living it is necessary for me to leave the city and travel perhaps 100 or 150 miles in order to perform the job which I am called upon to do and at a given time it may

be necessary for me to be away and thus miss the opportunity of voting.

I realize it is difficult to draw a line as to what classifications would be entitled to vote at an advance poll, but in a city like Regina there are many construction workers and other people who do contract work outside the city, such as wiring farm homes and so on. During the course of their jobs they find it necessary to be absent from the city on polling day. These people are very anxious to vote as they are fully cognizant of their responsibilities as citizens. It seems rather unfair that they should not be accorded the right to cast their votes the same as other employees who are provided for under the existing legislation.

While I agree that it is difficult to know where to draw a line, I think that is the best reason why we should accept this bill. The only way in which we are going to be able to treat all voters fairly is by making some realistic provision for voting at an advance poll. There has been some comment about possible difficulties. The minister suggested that people who are on holidays should return to vote and then, I presume, go back to resume their vacation. I will grant that when the election act was first placed on the statute books most people did not have automobiles and factory workers had no opportunity to travel very far afield. Consequently it might have been possible that there was a greater percentage of voters in their home localities at any given time. However, I think today, particularly in sparsely settled areas such as Saskatchewan, workers, when they get their holidays, are going to travel considerable distances to visit relatives or one or other of the many beauty spots throughout this country.

I have always believed we should encourage Canadians to travel. I am very pleased to note the great number of people from the prairies who visit British Columbia each year, and the great number from British Columbia who visit the prairie provinces. And I think it is a good thing that the prairie people should visit Ontario and the maritimes. That is possible when so many people are getting three weeks' holidays. In my province, at least, where all workers are provided with two weeks' paid holidays, they should be encouraged to visit other parts of Canada.

I think it is most unfair to say to such people, "Your holidays commence one week before election day, and if you want to vote you will have to curtail the extent of your travel in order to return to your home to do so." I think that is not the sort of thing we should expect under the electoral law of Canada, and I rather deplore any suggestion that these people are not aware of their responsibilities as citizens simply because they take their holidays at a given time. I think it is asking a great deal to expect someone to give up two weeks' holidays on account of an election, because that is what it amounts to. In my own province you cannot expect a person who travels, let us say, from Regina to Prince Albert national park to drive the considerable distance back to Regina, or Moose Jaw or some area in the southern part of the province, in order to cast a vote.

It seems to me we should be primarily concerned with getting the maximum number of people to vote in this country. I think we would all agree that the ideal situation would be that everyone should vote, and certainly we should place no obstacles in the path of any Canadian citizen who wishes to exercise his franchise. While there may be difficulties advanced and objections made to the present proposals, I think all these objections, if they went before the committee, could be ironed out and satisfactorily dealt with. I think the main question now, is simply this. Do we want to make it possible for a greater number of Canadian citizens to exercise their franchises? If we believe that is a desirable thing, then I think the most effective way of indicating our sincerity is to vote for the bill now before the house.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I feel obliged to say a few words on this question now before us. I think it is a very important question, and that these are proposals which merit the full support of every member of the House of Commons. I listened with a great deal of interest to the remarks of the Secretary of State. All I can say, Mr. Speaker, is that I can only come to one conclusion. He has not the faintest idea of the subject whatsoever, and had not the faintest idea of what he was talking about.

An hon. Member: You are so clever.

Mr. Winch: As a matter of fact it was almost amusing, the way he built up those straw men and then gallantly proceeded to knock them down. We have had, in British Columbia, both the absentee and the advance poll for as long as I can remember, and that state of affairs exists because there has been an understanding by all parties and by all governments, past and present, that this is necessary if the people are to be given every opportunity to exercise their democratic right of casting their ballots on election day. Not only do we have these facilities in our provincial elections, but we also have them incorporated in the act that governs the city of Vancouver.

The minister spent a great deal of time building up a picture of the fear that was in his mind that if we had an advance poll as part of our election machinery the people would forget the real meaning of polling day, and that so many would cast their votes at the advance poll that the actual polling day would not mean anything at all. If there were any semblance of truth in this suggestion it would have shown itself in the province of British Columbia during the application of legislation which, I think, goes back either to 1920 or 1925. But the situation visualized by the minister has not developed.

I know. I ran as a provincial candidate in British Columbia in some seven elections, and I therefore recall very well what happened on polling day and how many ballots were cast at the advance and the absentee polls, and I can assure my hon. friends that in the seven elections which I contested provincially over a period of 20 years—and I represented one of the biggest constituencies in the province of British Columbia as far as population was concerned—there were never more than 500 votes cast in the advance or absentee ballots. That was not too large a number in comparison with the thousands who voted on polling day, but it was of great importance to the four or five hundred people who were able to vote because of the fact that there was provision to this effect.

The minister emphasized time after time that there had to be a sense of responsibility on the part of the elector himself, and nobody will disagree with that; but I think we should also emphasize the responsibility which the government has of ensuring that as many people as possible who will not be in their home constituencies on election day should have the opportunity of exercising their democratic right to vote.

This applies in particular to the province of British Columbia because, as the minister must know, the major industries of British Columbia are logging, mining, fishing and construction. As you realize, Mr. Speaker, in connection with all these enterprises in British Columbia there are always thousands on the move from logging camp to logging camp, from sawmill to sawmill. The people concerned cannot govern themselves so they are in their own ridings at a date set at the will of the Prime Minister. Our fishermen, sir, know that election day is set by the Prime Minister, but the days on which they can fish are established by the Department of Fisheries, and on the days they go out fishing they are away, as hon. members know, before sunrise, and they do not come back before the sun has set. There are occasions when they go many miles out to sea; sometimes they are away for days at a time. Why should these responsible citizens be denied the right to vote because their occupation does not allow them to be in their own constituencies on polling day?

Mr. Macdonnell: Don't you know that fishermen are specially mentioned?

Mr. Winch: I am sorry. We will go back to the others, then, who are employed in construction, in the mining industry, in logging camps and other concerns in which a great many thousands of our citizens are engaged. This is not something new; it is something which has been proven in the four western provinces, something which has been proven for over 20 years, from my own memory, in the province of British Columbia. We say, Mr. Speaker, that it is the responsibility of the government to give the opportunity of voting to every possible elector and I sincerely hope hon. members will support the proposal which is now before us and see to it, though this measure may only affect a few hundred, or a few thousand, that all those who wish to vote and who are not able to cast their ballots on election day should have an opportunity of doing so beforehand.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I always enjoy listening to the hon. member for Vancouver East (Mr. Winch) and his vigorous style. I always know what he means. I gather that he did not think very highly of the speech of the Secretary of State (Mr. Pinard).

Mr. Pinard: I share that view of his speech.

Mr. Macdonnell: I should like to say that I thought more highly of it. I was interested in it. It made me realize that I had not thought as much about the question as I might have done, and I confess that some of the arguments he made struck me as quite sound. I should like to say, commenting on the speech we have just heard, that I did not think the member made his argument too convincing when, after expounding on the tremendous need for the saving of all those Canadians who might be prevented from voting if they did not get this extension, he said that the total number who had voted, if I understood him correctly, was 500. That did not seem to me to establish a tremendous need.

Mr. Winch: In the one constituency.

Mr. Macdonnell: That is different.

Mr. Winch: That was in my own provincial constituency.

Mr. Macdonnell: I also wish to say that I thought he made an entirely gratuitous supposition when he said that all these 500

people would not have been able to vote otherwise. I thought that was going pretty far and certainly I would not wish to accept that argument.

Second, I should like to say that I think there may be an argument for extending the present list. I do not know that that argument has been made. It seems to me that no one has attempted to do other than go whole hog. I mean those who wish the present bill to pass. I think the house is prbably familiar with the list, commercial travellers, fishermen, persons employed upon railways, vessels, airships, etc., members of the reserve forces, the R.C.M.P., et cetera. There are two et ceteras there and I am not exactly sure how much they cover. At any rate, there has been an attempt to deal with cases which cried out for special treatment, and I am not saying there should not be more done.

On the other hand, I was inclined to agree with the Secretary of State that anything that derogates in a big way, as this is intended to do, from election day is undesirable. Often when we read the figures of those who have voted and still more the percentage of those who have not voted we find it hard to believe that our ancestors struggled so hard in order to get the suffrage, and I did feel there was force in what the Secretary of State said, that anything which takes away a kind of dramatic concentration on election day does derogate from the interest in an election. I think, although it is something that can never be proved, that if one were able to assess these matters one might find that as against the numbers given in the case mentioned—I admit that 500 is a substantial figure—who voted in advance there were a considerable number who might otherwise have voted on election day but who had their attention dissipated and just did not take the trouble.

We know that a great many people do not take the trouble. Sometimes the number is alarming. I suggest it is at least arguable that if we do take away, if we do distract and spread over we may give everyone the feeling that they do not need to vote on election day because there are plenty of other days on which to vote and they do not need to bother about it. I suggest it is a fair argument that there will be a distinct lessening of the vote for that reason.

I do not find much merit in the argument that a large number of people are going to be prevented from voting. The question of holidays has been brought up and I will admit that if we are going to have every election in August that argument would have a good deal of weight, but sensible governments do not usually do that. We hope this government will not do it again. Care is taken to put the voting day on a Monday, and I do not find myself moved anywhere near tears by the feeling that a large number of people who wanted to vote desperately could not do so.

An hon. Member: You are a hard hearted man.

Mr. Macdonnell: I really am not. I try to be but I am not. As I say, I was greatly moved by that argument. Again, if it were possible, which it is not—and this is the type of argument which it is always useful to make because nobody can prove you are wrong—to find out how many of these people would not have been there I suggest that the figure of 500 might become very much smaller.

I was also interested in the discourse on travel given us by the hon. member for Regina City and the very clever way he connected advance polls with the desirability of Saskatchewan citizens becoming world travellers. I thought that was very interesting and ingenious indeed. It almost looked as if he was trying to talk his own bill out when he got on an argument of that kind. That seemed to me to suggest that there was a somewhat flimsy foundation for the heart-breaking appeal made by the hon. member for Winnipeg—

Mr. Knowles: North Centre.

Mr. Macdonnell: Winnipeg North Centre. I do not know why it is so difficult to remember the hon. member's constituency, because we do hear it quite often, but there is something about those three words that makes them hard to remember. The hon. member for Winnipeg North Centre made a very sustained appeal. One always has to treat with respect arguments which he makes but one does not always have to be convinced, and when I was asked to believe that if we did not do this a lot of people were going to lose their two weeks holidays I felt we were getting very far away from reality.

Unfortunately I was not a member of the committee. I am sure I could make a much better speech if I had only been on the committee. But I do gather that when the question was put to the chief electoral officer, Mr. Castonguay, although, of course, he could not show himself partisan in any way, it became clear that he felt there were difficulties of administration which would have to be faced. Of course, if they have to be faced they must be faced but I should like to be quite sure that it is necessary to face them. In that connection I propose to quote from

the proceedings of the standing committee. I do not often quote the hon. member for Macleod but I hope he will not mind my quoting him on this occasion because I think he raised a serious point. Evidently Mr. Castonguay also felt that it was a serious point. I read from page 308 of the proceedings of the committee of 1955 on privileges and elections.

Mr. Hansell: Mr. Chairman, I am all in favour of getting everyone out who has a vote, and I think that is true of all of us. I would like to support this if it were not for some doubt in my mind.

My doubt is whether a thing of this kind would not be taken undue advantage of. Is there any way you could protect a person's vote? For instance, we do know that a good many votes are stolen. In other words, a person goes in to vote at noon or in the afternoon, only to find that somebody has voted in his place, has stolen his name, has impersonated him. That is done and there is nothing that you can do about it.

A person comes in to vote and finds that his name is gone. No one knows where he came from. Now, how could voters be protected under this? I visualize, for instance, a city where there is a bit of skulduggery done, and we would say that at a couple of hundred polls three or four or half a dozen in each poll have voted previously on a declaration such as might be described in this resolution, and then we find that those declarations were spurious. A person comes along on election day only to find that he cannot vote because someone else has already voted and made this declaration. He says: "I did not make it." What can be done about that? That is the difficulty which I see here. I would like to support it, but I do not want anything like that to happen.

Then the witness, the chief electoral officer, said:

The Witness: Mr. Chairman, as members of the committee know, the advance poll takes place on the Thursday, Friday, and Saturday immediately preceding the ordinary polling day. At present, in view of the limited nature of the provisions of section 95 of the act, it is possible for the returning officer to send a duplicate of the certificate which he issues to the person who has applied for it, to the poll where that person would normally vote, and therefore prevent double voting.

Because of the limited nature of the section there would not be more than 30 or 40 voters, generally speaking, who, in practice, would vote at an advance poll. Therefore, it is only a question on the Saturday night before Monday the ordinary polling day of having 30 or 40 certificates delivered to the various deputy returning officers concerned.

I submit that if this privilege was extended to everyone, let us say that 5 per cent of the electorate used these facilities, out of 40,000 electors it would mean that 2,000 certificates would have to be delivered from Saturday night to the following Monday to prevent double voting.

I know of no way to prevent what Mr. Hansell has mentioned. I think that the only way you can prevent double voting is to notify the deputy returning officer in the ordinary poll that someone has voted at an advance poll. And by advancing the poll to the week previous, the eleventh, tenth, and ninth day before the ordinary polling day, we would have an interval of eight days between the last day of voting at the advance poll and ordinary polling day in order to enable the returning officer to strike off the names on his list of the electors who have voted at the advance poll.

I think perhaps I had better read on. Mr. Pouliot interposed "Hear, hear" and then the witness continued:

The Witness: That is the only way it could be done. In the cities I would say that the ballot boxes would not normally have been delivered to the deputy returning officers before the eighth day before polling day, therefore the returning officer could possibly strike off the list any names of electors who voted at an advance poll. However, he might also strike off the name of an elector who had been impersonated. I do not know of any way to prevent it except by persons at the poll who represent the candidates, challenging these electors, because they would probably know the electors. I know of no way if the privilege is extended to prevent an elector from attempting to vote twice except by putting a larger period between the advance poll and the ordinary polling day to permit the returning officer to take the necessary steps to notify the deputy returning officers concerned . . . The problem is more difficult in some rural areas because the ballot boxes ordinarily are sent a week before polling day by registered mail, and the deputy returning officers in some cases would receive them three weeks before polling day. Therefore some means would have to be devised in rural polling places to notify the deputy returning officer that an elector has voted at an advance poll, and that should he present himself to vote at the ordinary poll, he should be challenged or not be permitted to vote.

There is more to the same effect but I shall not weary the house by reading it. I want to make the point that there are administrative difficulties that I think should not be overlooked; that we should consider whether the additional expense is worth while and whether the difficulty in connection with the custody of the boxes is worth while. It seems to me that the chances of irregularities occurring are vastly increased. After all, every deputy returning officer has not in his house a safety deposit box in which he deposits these things. In general, it seems to me that it will cause real difficulty of administration, and that it will be a terrible headache to the chief electoral officer. How far we should go is something that I think could be better stated by people who are more familiar than I am with the actual mechanics of elections.

I would just add that to me the argument for throwing the gates wide open as against continuing with those who are presently named here and whose right to the advance poll I think we all concede is not one that convinces me. Certainly I see no reason why we should go further with the matter at the present time.

Mr. C. W. Carter (Burin-Burgeo): Mr. Speaker, I should like to say a few words on the motion for second reading of this bill. There is perhaps no riding in the whole of Canada where a larger percentage of voters are disfranchised than in my own riding of Burin-Burgeo. In the two elections

that have passed, only about 50 per cent of those eligible have been able to vote. Of the other half, about 20 per cent have been somewhere on the high seas on voting day, either in the deep-sea trade, in the coastal trade or else fishing on the grand banks. Another 30 per cent have been out of the riding altogether, employed in other parts of Canada. I am not sure whether or not they were able to vote in the places where they were working.

This bill is therefore of considerable interest to my constituents. But I should like to say right at the beginning that I heartily agree with what the hon. member for Peterborough said earlier today, namely that this bill should not have been introduced at this particular time because I think it is going to confuse the issue.

As I have listened to the arguments put forward by the opposition side in favour of this bill I can see a great deal of confusion already. In the first place, we are confusing people's right to vote with the convenience of voting. Nobody is being deprived of the right to vote if there is no advance poll. Neither is a person given an additional right to vote by the creation of an advance poll. What the advance poll does is to give an extra convenience to the voters in that locality where it is established.

In my riding of Burin-Burgeo I have about 45,000 people, of whom about 20,000 are electors. Those 20,000 are distributed over 1,000 miles of coastline in about 250 different settlements. In most of those settlements there is a polling booth. Some of the smaller settlements are too small to have a voting booth, and the people must row by boat three or four miles to the nearest poll in order to vote. If the weather is bad and they cannot row that distance, then of course they do not vote. In some of the larger centres there may be five or six separate polling stations. Hence the total number of polling booths in my riding would be somewhere about 200 or 220. I have mentioned these figures for one purpose, Mr. Speaker, namely to point out that in my own riding there would be 200-plus separate polling stations, yet in that whole area there would be not more than four or five advanced polls.

We all want to make it possible for the greatest number of people to vote on polling day. We want the voters to realize that it is their duty to vote. But if they cannot vote on voting day, nobody in this parliament is depriving them of the right to vote. They are prevented from voting because of some domestic factor or some factor such as work, business, pleasure or vacation. They have to choose between the two, whether the right to vote is of sufficient importance to forgo the other or vice versa.

My objection to this bill is based on the fact that I do not see how it can be applied on a practicable basis to my riding, which is similar to all the ridings in my province, and similar as well to ridings in other parts of Canada, particularly British Columbia. I submit that if this house is going to provide extra convenience for one set of voters in one locality then, by the same token, we must provide the same conveniences for other voters in other localities wherever they may live. I believe it was the hon. member for Regina City who spoke of treating every voter fairly. If we are going to treat every voter fairly, the only way that can be done is to set up advance polls in every community. If we do that we will double or triple the cost of an election. In addition to that, we will be destroying the very meaning of polling day itself. In other words, the result of this bill would be to destroy the main significance of the election act.

For these reasons, Mr. Speaker, I find myself unable to support this bill. My argument is this. Why should a person be granted an extra convenience just because he happens to live in a certain place, because he lives in a large centre or because he works in an industrial centre? Surely every voter has equal rights under the law. He has equal rights because this parliament has given him the same conveniences that we grant to all others. Unless this bill envisages setting up advance polls at every polling station in Canada, then it discriminates against the places where advance polls are not set up.

That is the very thing this bill claims to do, to eliminate discrimination, but all it will do will be to increase the discrimination. The only way discrimination can be avoided is to set up advance polls in every polling station in Canada. In my opinion, Mr. Speaker, that is impracticable, and for that reason I cannot support the bill.

Mr. Maurice Boisvert (Nicolet-Yamaska): I should like to say just a few words with respect to this bill. Even if the hon. member for Vancouver East used strong arguments, as usual, he failed to convince me that he was right. Personally, I do not see any advantage in doubling the number of polling divisions in our country. In the last election we had nearly 41,000 polling booths, and the proportion of those who voted at the advance polls was quite small.

This bill is intended to extend the privilege of voting at an advance poll to every citizen who believes he will be unable to

vote on polling day. Let us ask, first, who is going to determine whether or not each individual is right or wrong in the belief that he cannot vote on polling day. This is quite a complication. Who is going to decide that Mr. So and So is right in believing six or seven days before the polling date, that he cannot vote on election day? In my opinion that is quite a weak spot in the bill.

The second weak spot is that in my estimation this bill will create quite a few legal problems. After the last election we did not receive many petitions. In the rural districts we have no problem about voting on polling day, but the problem is greater in the cities, and that is where we now get the trouble on election day. If people are entitled to decide for themselves that they are going to vote at one of the advance polls, then on polling day who is going to decide whether or not the vote was properly given at the advance poll? It will require closer checking in order to avoid duplication of votes. This would open the door to many petitions after the election.

I would think that voting is a duty, and when the date is set by parliament I believe it is a duty that is dear to the heart of every Canadian. I would conclude by saying that the bill, instead of reinforcing the election act, will have just the opposite effect and will destroy an act which has been giving good results. Nearly 70 per cent of the people cast their ballots at the last election, and if we compare this percentage with the percentage of votes cast in many other democratic countries we will see that it is a very good result. I do not see why we should change a law which has been giving such good results.

Mr. H. W. Herridge (Kootenay West): I intend to be very brief, but I did want an opportunity to express my support for the bill. I believe that in a democracy we should aim to provide an opportunity for as large a percentage of the population as possible to exercise their franchise. I am not capable of speaking with respect to urban conditions but I do know something about rural conditions, and I know something about the numbers of people in my own constituency who have been denied the franchise on election day because of the deficiency of the present election act.

In my constituency it is customary for loggers to come down the lakes some 20 or 25 miles on week ends and then return to their employment. If it should so happen that election day is on Monday—in fact, by law that happens all the time—they are not permitted the opportunity to exercise their franchise when they are at their homes over the week ends, and so on; they have returned to their employment. In my constituency I have possibly up to 100 loggers who at the last election were denied the opportunity to cast their votes because it was simply almost impossible for them to return to the polling station to cast their votes on election day.

Let me give another illustration. I happen to know of the situation of some miners who are working in isolated places. I have miners who are working on the Duncan river. The nearest poll is 25 miles away. They are in the habit of coming to town on Saturday and Sunday to do their shopping, to visit their wives and things of that sort, returning on Sunday evening. The election is normally held on a Monday. Under these circumstances these men are usually denied the opportunity to exercise their franchise, because in this instance they would have to travel some 25 or 30 miles by launch.

Then I have a number of men who are on the passenger vessels and tugs on the various lakes and rivers in my constituency. It just so happens that in the case of one passenger vessel I have in mind it leaves at six in the morning and does not get to a suitable port for voting until after the polls have closed. I could give a number of illustrations with respect to tugs towing logs that are out on the lakes for days at a time; because of the terms of the elections act a good number of these people have been denied the opportunity to exercise their franchise.

Therefore, Mr. Speaker, because of my personal experience, and my knowledge of the fact that the present election act denies to a good number of loggers, a number of miners and a number of those working on lakes and rivers in my constituency—the men, I might tell you, who are producing the wealth of this country—the opportunity to exercise their franchise, I have no hesitation in supporting the bill and the efforts of the hon. member for Winnipeg North Centre to get the election act amended so that a greater percentage of good Canadian citizens can express their opinions on election day.

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, it is obvious that those who have spoken in opposition to this bill live in sheltered areas of the country, and are not familiar with the problems which confront a great many other citizens. In view of the fact that a number of our provinces have made provisions along the lines suggested by the hon. member for Winnipeg North Centre, it is very difficult for people of all political parties living in those provinces to understand why the federal government is

not prepared to take a look at the problems which confront people on the frontiers of the country.

The hon. member for Kootenay West describes conditions which are found in many parts of Canada. These are not isolated conditions. It so happens that in my constituency we have no provision for advance polling for railway workers, and we have several trains which must operate on election day as they do on other days. The conductors, the brakemen, the engineers and the firemen operating those trains are denied the right to exercise their franchise if the trains are to move. The trains must leave before the polls open, and when those men reach their destination they are outside their constituencies and are not entitled to register their votes.

The hon. member for Winnipeg North Centre has performed a valuable public service again by bringing forward this bill, which really should be supported by everyone who is concerned about the importance of giving every person a chance to exercise his or her franchise on election day. I want to be on record as supporting this progressive move that has been brought forward.

Mr. Roland Michener (St. Paul's): Mr. Speaker, this has been a very interesting debate up to this point. If it were to continue somewhat longer perhaps I might be persuaded one way or the other. I doubt whether there is much to be said by the supporters of the government; for it seems to me the Secretary of State has made it difficult, if not impossible, for any of them to be persuaded by the—

Mr. Ellis: He cracked the whip.

Mr. Michener: —eloquence and by the reasoning of those who have supported this bill.

The argument has been largely one of detail and example. We have heard a good deal about the difficulties of persons in various occupations exercising the franchise. We have heard about the lumbermen and their habits, their times of absence from their homes and the times when they are present at their homes, when it would be convenient for them to vote and when it would not be convenient for them to vote. We have had a great many other specific examples of people who, by reason of their occupations, find it more convenient to vote at one time than at another. The case of the traveller, the person on holidays, perhaps is the most interesting one that has been advanced, and I am not sure whether the amendment to the act is in aid of more travel or whether the reverse is the case.

I see you are getting a bit uneasy, Mr. Speaker. Will you call it six o'clock?

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Michener: Mr. Speaker, before six o'clock I was recalling some instances and examples which had been given in the course of the debate of different groups of people whose opportunity to vote might be increased by the amendment. Quite a variety of examples were given. I daresay that in some instances they were well founded and that the effect of the bill would be to enlarge the opportunity of some people to vote. Perhaps the amendment might work in the opposite direction, because it is hard to see just how these things will work out when you are looking at them in the abstract.

I want to speak for a minute about the principle of the bill, which as I see it is the desirability of making it possible for all those entitled to vote to do so. That objective might be achieved in different ways. You might have a method of voting by proxy when the voter himself is unable to appear, or you might extend the number of voting days. Members of this house will not remember it, but I believe in the early days of confederation voting took place by open ballot. Under those circumstances it would have been possible for people to vote without attending the poll because their ballots were open. Voting could have been done by sending in a letter.

There is no question that in our view of government the right to vote is basic. Some people call it a privilege, and in some countries it is regarded as a duty. In those cases those eligible to vote are under some compulsion to cast their ballots whether they want to or not. We have not taken that view in Canada, but undoubtedly this is a basic right and anything within reason which will assist those entitled to exercise it is desirable.

As I understand the proposed amendment, the problem is approached from the point of view of the number of voting days to be made available and the spacing of those days. That is exactly the same principle as the present election act, but with a different arrangement of the days on which one may vote. It is possible to suggest a great many combinations of voting days. Regular voting might take place on more than one day, on a series of days, or there might be two periods for voting as under the present act. There

are various arrangements of those two periods by placing them at greater or lesser intervals apart.

I think it is desirable that as far as possible all people who wish to exercise their franchise should do so at as nearly the same time as can be arranged conveniently, so that all will be casting their ballots on the same issues with the same considerations before them. It is not often that election issues change very much from day to day, but one can recall instances where the results of elections have been changed by reason of something that has happened in the last day or two of the campaign. As a general approach it seems to me desirable that as far as possible everyone should vote at almost the same time. Therefore I would not think it wise to have an advance poll some distance ahead of the regular poll.

The other question involved is who should be entitled to take advantage of these advance polls. This is the broadest suggestion of its kind that has been submitted, because it goes almost as far as saying that anyone who considers it would be convenient to vote at an advance poll rather than waiting for the ordinary voting day could persuade himself to that effect and make his affidavit reasonably near the fact by saying that he had reason to believe he would not be able to vote later, and govern himself accordingly.

I think it is admitted that the present category of those who are entitled to vote at the advance poll is fairly narrow. I have known of people whose business took them away regularly and who did not fall within the limited categories named, though they were on a par with those who were entitled to use the advance poll. It appears to me that the categories as now enumerated might very well be enlarged in order to make it unnecessary for anyone whose ordinary course of business took him away from his polling division on voting day to be denied the opportunity of casting his ballot at an advance poll.

When one tries to go beyond that and suggest that being on holidays is a good reason for not attending to vote, it seems to me that a very wide net is being spread to catch a very few voters. My experience is that people who are away on holidays do not like to be interrupted. As a matter of fact, in our exercise of the franchise in this country at all levels of government the proportion of those who see fit to exercise their voting right is lamentably small. In elections in the city in which my constituency is located as few as 25 per cent of the qualified voters have turned up on occasion to cast their ballots. That perhaps is extreme. I think on the average some 50 per cent see fit to go to the poll and vote.

Of course these are non-party elections. With the help of the political parties a good many voters are stimulated to go to the poll and cast their votes. That creates more interest, with the result that in provincial and dominion elections, in my experience, the percentage of the qualified electorate voting ranges from 54 or 55 per cent to as much as 90 per cent in some polling subdivisions. Now it is a question whether the system can be improved. I have mentioned the case of people on holidays. They are not anxious to disturb their vacation, as a general rule, and though some of them will go long distances to vote others would not take advantage of the advance poll even if it were set up for them.

So, looking at the bill as it is presented, and in the light of the solutions proposed by the hon. member for Winnipeg North Centre, it seems to me that in principle one cannot disagree with anything which enlarges the opportunity to vote, provided the system suggested is fair and reasonable in all the circumstances and does not unduly extend the election period. Under the terms of the bill as now put forward we would have to face a longer period between nomination and voting than exists at present and, it seems to me, a longer election period; but on the whole I think my view of the matter is that we could very well enlarge the category of those who vote at advance polls without, perhaps, making some of the other changes suggested in this bill.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, it is encouraging to see the interest there is in these proposals, and I agree with those hon. members who have said that the hon. member for Winnipeg North Centre has done a service in bringing the matter forward and focusing the attention of the house on certain problems that undoubtedly exist in connection with the election act and the opportunities afforded Canadian people to vote.

I think on balance I agree with my colleague from St. Paul's who has just resumed his seat, when he said there are some features of the bill which would be of such possible disadvantage that, on the whole, the measure cannot be unequivocally supported. Certainly I think much is to be said in favour of widening the opportunities to vote at advance polls. I believe the categories of those now allowed to vote under this procedure are much too restricted. On the other hand I am not in favour, without hearing further conclusive argument, of allowing

unrestricted opportunity to vote at advance polls for the period of time the bill suggests. I would prefer to see, perhaps, a compromise between a wider classification of those who might vote at advance polls and a shorter time in which they might do so, together with an experiment, at least, in an approach toward the absentee vote.

Undoubtedly there are many people who for personal reasons or for reasons of their employment have to be away from their constituencies on polling day, and I really do not see any compelling argument against some system of absentee voting for these people if they are able to prove their identity in whatever constituency they may happen to find themselves on polling day. In my opinion they should be allowed to vote there, and have their vote counted in their home constituency.

I think this is a safer system, for this reason. There is a complete opportunity to check the ballots cast in an absentee vote. The name goes back to the home borough, and if it is on the list there and no one else has voted in that name, that vote may be counted there. On the other hand, if one adopts this virtually unrestricted advance poll, as this bill suggests, it would, to my mind, open too much opportunity for tampering with the voting machinery.

I may, perhaps, be accused of having a nasty, suspicious mind; but I am aware of cases, particularly in completely urban constituencies, where there was a great deal of what has been called, and can only be described as, skulduggery in connection with voting on polling day. It is difficult enough to check this sort of thing, and stop it. Individual candidates have their scrutineers, and they act to the best of their ability to see that there is no impersonation, but there are letters on file with the chief electoral officer—letters which at one time were brought to the attention of the committee on privileges and elections—which show how difficult it is to resist a determined attempt, well financed and well organized, to impersonate electors, and to have a number of people who are not actually entitled to vote at all cast their ballots in the names of people who are on the list.

There are also examples of what can only be called "goon squads" entering polling stations. When the scrutineers representing the candidates, feeling that impersonation is going on, try to challenge a voter, they have virtually been terrorized into silence. If this can be done on the one day to which voting is confined, how much easier it would be to do it if there were an advance poll open for a week or ten days, with less opportunity of checking whether or not a person who comes in claiming he is someone whose name is on the list is actually that person.

I do not think it would be safe to give the increased opportunity for impersonation and organized skulduggery at the polls which I think this proposal would make possible, and I believe that was one of the features the chief electoral officer had in mind in the passage quoted by the hon. member for Greenwood, when he said it would be very difficult indeed, if not impossible, to provide adequate machinery to supervise advance polls of this length of time and give the assurance that voting was conducted properly.

So, because of that danger; because I believe the period of time my hon. friend suggests is too long, and because I think the same results could be achieved by a widening of the classification of those who are entitled to vote at advance polls, I must say with some reluctance that I find myself not in accord with the bill as it has been presented to the house.

Mr. Frank G. Power (Quebec South): Mr. Speaker, it is with some diffidence that, as a rather junior member of the house, I rise to speak in the debate at this time, but this is a subject which has been of considerable interest to me for quite a long time. I must congratulate the proposer of the motion for the intention he has in submitting the bill to the house. I think it is laudable in every way. I believe he is sincere in wanting the greatest number of voters possible to cast their ballots at every election. However, like the hon. member for St. Paul's and the hon. member for Kamloops, who have preceded me, I feel he is going too far in wanting to have anyone who feels that he cannot be present permitted to file an affidavit and vote on the ninth or tenth day prior to the date set for the election.

In my opinion this would result not in one election day but in three election days. At times today voters are rather difficult to stir, and were they given this added convenience I am afraid they would flock to the advance polls, with the result that instead of having one election day we would have three. Speaking only for myself, may I say that the nervous tension of such an ordeal would be terrific. I cannot, of course, speak for the hon. member for Winnipeg North Centre, but I presume he has contemplated this and is prepared to face it. Personally I think it is torture in the most medieval sense of the word.

Then there is another factor. In looking over the bill I have examined the clause in which is set forth the manner in which

at the end of the first day of the advance poll and at the end of the second day the ballots will be dealt with, and I must confess that the mechanics of it completely escape me. In the ordinary course of events, when a ballot box is opened the deputy returning officer, the poll clerk and the representatives of each candidate have a right to examine each ballot. Yet it is provided in the bill that the ballots shall remain secret. Frankly, I should like the proposer of the bill to explain in more detail how secrecy of the vote can be maintained at these advance polls.

Another matter of considerable import to most of us is the convenience of our workers and the expenses involved in an election campaign. Each one of us, I am sure, depends not only on a party platform but also on a large group of party workers, personal friends and other voluntary workers. I cannot see how we can expect our friends and workers to take three days off, which is what in effect would be required if they were to represent the candidate adequately and take part in all these electoral procedures. I think it would be asking too much of them to ask them to do so.

However, I do think, and I speak with some experience in the matter, that the qualifications for voting at advance polls should be considerably widened. September 26, 1955, the date of the by-election at which I was chosen, happened to be a holy day of the Jewish people. As a result over 250 Jewish men and women in my constituency were deprived of the vote. I feel that not only should there be occupational exceptions and that those exceptions should be extended considerably, but also that religious exceptions should be included in our electoral law.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker—

Mr. Speaker: If the hon. gentleman speaks now he will close the debate.

Mr. Knowles: Mr. Speaker, may I at the outset give the assurance once again, particularly to such members as the hon. member for St. Paul's, the hon. member for Kamloops and I think too the hon. member for Quebec South, that if this bill is given second reading I will ask that it be referred to the committee on privileges and elections. It would be my understanding, and I think this would be in keeping with the rules and practices of the house, that that committee would have power to make amendments to the details and the mechanics set out in the bill.

All we are voting on when we vote on second reading is the principle of the bill, which calls for the extension of the privilege

of voting at advance polls to any qualified voter who believes he will be away from his home polling division on election day. Certainly, Mr. Speaker, there are good arguments for shortening or lengthening, if you will, the time between voting day and the days of the advance polls. Certainly there are good arguments for reconsidering the question of how many days in advance of election day nomination day should be.

What one has to do in arriving at decisions of that kind is to balance the desire to make the advance polls as readily available as possible with the desire to keep the advance polls as close to election day as possible. It is a matter of simplifying the machinery and at the same time meeting the purpose contained in the principle of the bill, namely that the right to vote should be extended to all who find they must be away on election day. These are details the committee could consider.

I confess I am a little puzzled by the remarks of some of my friends who feel that the right to vote at advance polls should be extended—I am thinking of members who said that it is too restricted at the present time—but who question whether it should go all the way, whether it should be made available to everybody, as my bill proposes. After all, Mr. Speaker, that is what democracy is, the belief that certain rights pertain to every citizen in the country.

There is no secret about it. This bill is not designed to get a few more in with the result that in the pursuit of that design it just happens that it gets everybody in. It starts out with that purpose. It starts out with the belief that just as everybody is entitled to vote at a federal general election, so everybody should have the same right in terms of the advance polls. In other words, in my view it is just a further implementation of the democratic idea that all citizens are equal and should have equal rights in a matter of this kind.

A good deal of the argument in connection with this bill, Mr. Speaker, seems to have turned on a hypothesis. I am not going to spend any more time on it, because it seems to me that the record will speak for itself. Those on the other side, led by the Secretary of State, who have taken this line have argued—and my friend the hon. member for Quebec South was the last one to ring the changes on that argument—that if we make available these additional polling days by way of an advance poll, people will flock to the polls on those days and this will detract from the importance of the election day itself.

I say again, Mr. Speaker, as calmly as I can, that this is a guess on their part which

they make from no experience and without any foundation whatsoever. We on the other side of the argument, many of whom come from the four western provinces where we have universal voting at advance polls, rely on our experience when we say that this universal right to vote at advance polls removes the grievance but does not result in a flocking to the advance polls by voters.

My colleague the hon. member for Vancouver East pointed out that in the large provincial constituency which he used to represent in the British Columbia legislature the number did not get over 500. I am satisfied that in the constituencies in and around Winnipeg the number is not even that high. I suggest that our experience in the four western provinces of what has happened, namely that people have used this right when they needed to do so but have not abused it, is of more validity than is the guessing that has been put forth on this point by those on the other side from the Secretary of State to the hon. member for Quebec South.

May I say that I appreciated the remarks made by my friend the hon. member for St. Paul's, who saw a good deal of merit in the principle of this bill. But I must say to him quite frankly that I was surprised that he said what he did about people going away on holidays. If I understood him correctly —although I did not take down his words— he said it seemed a bit strange that we would go so far as to include those who are away on holidays in order to get in a few more deserving cases. Mr. Speaker, I say this again. Let there be no secret about it; so far as I am concerned, and my colleagues with me, those on holidays are deserving cases. They are Canadian citizens exercising one of the rights of modern life in this country. Surely the fact that they are away on holidays does not put them in a second class in so far as the right to vote is concerned. That is the purpose of this bill, namely to make it possible for any who have to be away on election day, for whatever purpose, to vote at an advance poll.

I am a little bit surprised at some of my friends to the right doubting the desirability of extending this privilege, because they certainly had complaints to make in August, 1953, because the election was held at a time when many people were away on holidays. To my friend the hon. member for Greenwood, who indicated this afternoon that it was a bit hard to move him to tears, I say that he may find himself at least gritting his teeth come June 17 of this year or whenever the election is held, if in the constituency of Greenwood there are people who are unable to vote because they find that they have to be away on election day. It will be very awkward for him to have to tell them that there was a proposal before the House of Commons to change the law and to make it possible for them to vote, but that he opposed that privilege and helped to maintain the denial of their right to vote.

Because of some references made by some of the supporters of this bill to urban people going away on holidays, the hon. member for Burin-Burgeo seemed to take it that the aim of the legislation is simply to provide these extra advance polls for urban constituencies. He felt that this was a discrimination against his constituency strung along the coast of Newfoundland. Without referring to that section of the bill, something which is against the rules on second reading—and I say that also for the benefit of one hon. member who spoke a moment ago—may I point out that the bill does not make any distinction between one kind of riding and another. It simply says that the chief electoral officer may order the holding of advance polls in any or all of the constituencies in this country.

I must apologize to my friend the hon. member for Vancouver South for not having interrupted him earlier in his speech this afternoon. As soon as he started to speak and I detected that there was a note of opposition to my bill I was tempted to interrupt him and remind him that last year he voted for the bill. My apology is that I did not interrupt him at that time but allowed him to go on and make his entire speech against the bill. At the end, as those who were here will recall, I drew his attention to the fact that though he spoke against the bill this year, he voted for it last year. I think he was right the first time.

Perhaps I should remind two other hon. members on the government side of the house that they voted for the bill last year, in order that they will not make the mistake of going the wrong way this year. Those two were the hon. member for Mackenzie River and the hon. member for Moose Jaw-Lake Centre.

I am sure, Mr. Speaker, that we have had an interesting discussion on this matter. Election matters, of course, are always of interest to members of parliament. Whatever may happen to the bill on this occasion, I hope the result of this consideration will be that one of these times soon, if not on this occasion, we will take this further step along the democratic road and make the right to vote at advance polls available to any voters who find that they will have to be away on election day. I agree with my friend the hon. member for Kamloops that attention might be given to the principle of absentee voting,

which has been tried so successfully in British Columbia and in Saskatchewan. That proposal being a little more radical than the one that is in this bill, I say to him that it was my fear that I would have more trouble in this house in trying to present it than with this one. But at any rate here is hoping that one of these times soon we shall recognize that this grievance which people have that they are not able to vote on election day because they are away from their home constituency is one which it would be proper for parliament to try to meet.

After all, as I said earlier, the franchise is not something that is the property of the government or of parliament. It is something that belongs to the people of Canada. We should make it as fair and democratic as we possibly can for all the people of this nation.

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

The house divided on the motion (Mr. Knowles) which was negatived on the following division:

YEAS

Messrs:

Argue
Barnett
Blackmore
Bryce
Bryson
Cameron (Nanaimo)
Campbell
Ellis
Gillis
Hahn
Hansell
Hardie
Herridge
Holowach
Johnson (Kindersley)
Johnston (Bow River)
Knight
Knowles
Leboe
McCullough (Moose Mountain)
McLeod
Nicholson
Patterson
Quelch
Regier
Shaw
Simmons
Smith (Battle River-Camrose)
Thatcher
Winch
Wylie
Yuill
Zaplitny—33.

NAYS

Messrs:

Aitken, Miss
Anderson
Applewhaite
Ashbourne
Balcom
Batten
Benidickson
Bennett
Blanchette
Boisvert
Bonnier
Bourget
Bourque
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cardiff
Carter
Casselman
Cavers
Charlton
Cloutier
Crestohl
Decore
Deschatelets
Dumas
Fairclough, Mrs.
Fairey
Ferguson
Fraser (Peterborough)
Fulton
Gagnon
Gardiner
Garson
Gauthier (Lake St. John)
Gauthier (Portneuf)
Gingras
Girard
Goode
Gour (Russell)
Gourd (Chapleau)
Green
Gregg
Habel
Hamilton (Notre Dame de Grace)
Harkness
Harrison
Hellyer
Hodgson
Hosking
Howe (Wellington-Huron)
Huffman
James
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Lapointe
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lennard
Lesage
Lusby
Macdonnell
MacEachen
MacLean
McCann
McCulloch (Pictou)
McGregor
McIlraith
McIvor
McMillan
Mang
Marler
Martin
Masse
Matheson
Menard
Meunier
Michaud
Michener
Mitchell (London)
Mitchell (Sudbury)
Monette
Monteith
Montgomery
Nixon
Pearkes
Philpott
Pickersgill
Pinard
Pommer
Poulin
Power (Quebec South)
Power (St. John's West)
Proudfoot
Purdy
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Roberge
Robertson
Robichaud
Robinson (Bruce)
Robinson (Simcoe East)
Rowe
St. Laurent (Quebec East)
Small
Stanton
Starr
Stick
Stuart (Charlotte)
Studer
Thibault
Tucker
Tustin
Villeneuve
Vincent
Weaver
Weselak
White (Hastings-Frontenac)
White (Middlesex East)
White (Waterloo South)
Winters—131.

FINANCIAL ADMINISTRATION ACT

AMENDMENT TO PROVIDE FOR PRINTING OF NEGOTIABLE INSTRUMENTS IN BOTH ENGLISH AND FRENCH

Mr. Raoul Poulin (Beauce) moved the second reading of Bill No. 6, to amend the Financial Administration Act.

(*Translation*):

He said: Mr. Speaker, as Bill No. 6 whose second reading I am moving today, is, as it were, a true copy of Bill 149 which I introduced last year and about which I made quite elaborate remarks at the time, I assume that I need not dwell at length on that same subject today.

Besides, I wish to be brief so as to give others who would like to speak on the bill a chance to do so, and still allow the house enough time, if it so wishes, to vote on that important matter.

The sole purpose of this bill is to provide that every cheque, draft, traveller's cheque,

bill of exchange, postal note or money order, of any department and of any crown corporation, shall be printed in both the official languages of Canada.

There is nothing very strange, and still less impossible, in that provision, since it is naturally inspired by the principle recognized by the house in 1936, when the Bank of Canada Act was enacted.

I do hope that this time, unlike what happened last year, the Minister of Finance (Mr. Harris) will not attempt to suggest the possibility that a measure of this character cannot be introduced by a private member, since its implementation would involve an additional expense of public funds. If anyone feels he must at all costs oppose this measure, I trust more serious arguments than that one will be resorted to.

There is no doubt that the English speaking element in this house and in the country as a whole will welcome such a measure, for it would complete the one concerning bilingual money and stamps, and would, in a way, sanction a recognition of the bilingual status of Canada.

I have no doubt that this same English-speaking group will graciously consider what happens in the province of Quebec where, ever since confederation, government authorities have observed not only the letter of the law, but have gone far beyond its spirit. Indeed, all official printing in that province is made out in both languages, at least at government level.

And yet, the percentage of the English minority in Quebec is less than half the percentage of the French minority throughout this country.

Not later than January 23 last, I read in *Le Droit*, of Ottawa, a news item of the Canadian press exemplifying the general statement I just made. I quote:

> Municipal notices must be written in both languages.
>
> Quebec (CP)—The private bills committee of the legislature yesterday turned down a request by a Quebec municipality asking for authorization to use only the French language for its public notices.
>
> That request had been made by the municipal council of Plessisville. Plessisville is a municipality of 5,700, located 100 miles north-east of Montreal.
>
> Premier Duplessis said the Cities and Municipalities Act says that all municipal notices must be made out in both French and English.
>
> A spokesman for the municipal council of Plessisville said, on the other hand, that there is not a single English-speaking citizen in Plessisville.

I do not think anything need be added to that report of the Canadian Press, except that, before asking others to make sacrifices in the interest of good understanding we, in Quebec, start by setting an example of graciousness, sometimes, even to the point of exaggeration, and of co-operation.

I have no intention of quoting to the house all the expressions of approval I received last year following my introduction of this bill to the house. This would be tiresome. May I simply say that I have received some from every imaginable quarter. There were some from individuals belonging to both our great ethnic groups, from patriotic, educational or religious groups, from city or rural parish priests, young people's associations, women's clubs, school principals, municipal councils, school boards, business concerns, citizens' leagues, insurance companies, boards of trades and what have you.

Consequently I am confident that this proposal will be accepted by the house, if not unanimously at least by a substantial majority.

Mr. J. H. Proudfoot (Pontiac-Timiskaming): Mr. Speaker, dear French and English speaking colleagues, I am pleased to support the bill introduced by the hon. member for Beauce (Mr. Poulin).

(*Text*):

As I have already said, I rise at this time to give my full support to the bill introduced by the hon. member for Beauce. Might I point out at this time that Canada is the home of French Canadians, and I believe they should be made to feel at home from the shores of the Atlantic to the shores of the Pacific. Together we of French Canadian origin and those of English speaking origin can build Canada into a great nation.

Might I point out that the only reason we have a confederation instead of a unitary state is because of the French Canadians. We asked them to come into confederation as full partners with English speaking Canadians, yet at the same time we wanted to preserve their rights and their own way of life. We divided authority between the federal government and the provinces primarily so the French speaking people would not be overwhelmed by the English speaking majority.

Might I point out that in the province where I live and where I was born the English speaking minority are perfectly free to live their own way of life and teach their own mother tongue. Their schools have been well provided for since confederation by each provincial government which happened to be in power, regardless of its political

make-up. I should like to point out also that in Quebec nine out of every ten people are of the Roman Catholic faith, with eight out of every ten speaking the French language. Yet the minority have complete autonomy and equality.

There may be some hon. members of the house, and I am thinking particularly of those who come from distant parts of Canada, who question the need for the legislation proposed by the hon. member in Bill No. 6. Indeed, it would not be strange if some of those whose lives have been spent in British Columbia, for example, where the French language is rarely heard, were inclined to make light of the proposal in Bill No. 6.

To those hon. members, if any there be, I should like to point out some rather surprising figures, or at least I think they will be surprising to them, and I refer to the tabulations resulting from the dominion census of 1951. In that year the total population was just over 14 million people, and of that total 2,741,812 used the French language as their only means of communication with one another. I do not quote that figure in any disparaging way, any more than I would disparage the more than nine million Canadians who according to that census spoke only English. I merely call it to the attention of the house to illustrate my point that a very considerable number of the people in this country speak French exclusively.

They have every right to do so, because the right of Canadians to the use of the French language is inviolate. The British North America Act contains guarantees in this respect with which I am sure all hon. members are familiar. I submit that those who framed our written constitution did not mean or intend that the use of the French language should be limited to the federal parliament, the federal courts, the Quebec legislative assembly and the courts of Quebec. In 1867, when a French speaking minority was entering somewhat fearfully into a new kind of political partnership with the English speaking majority, it was thought necessary, and I believe rightly so, to guarantee the areas in which the use of the French language would be of the greatest value to the minority. This, you might say, was the irreducible minimum.

From that starting point I think one must assume that several factors govern the determination of whether English or French shall be used in the official business of government or the day to day business of living, and by far the most important factor is the ability of those communicating with one another to understand the same language.

I come now to the 2.75 million Canadians whose only language is French. The question here is not on the high plane of constitutional rights, it is on the very practical level of communication. The only way to address them and be understood is in the French language. Whenever the federal government has to communicate with them, in respect to income tax for example, it does so in French. That is only practical common sense.

(*Translation*):

Mr. Knight: Will the hon. member permit me to ask a question? What is he reading?

(*Text*):

Mr. Proudfoot: I have not time to answer questions put by the hon. gentleman. As other hon. members who have spoken previously in support of this bill have pointed out, our coinage and our paper currency are bilingual. This is a recognition of the fact that it is both a convenience and an advantage to a large number of French speaking Canadians to be able to understand that the Bank of Canada will pay on demand one dollar, or whatever the sum may be. Their understanding of this, by virtue of the French inscription on the bank notes, lends added strength to our currency.

Government departments and the many agencies of government pay out a great deal of money to French speaking as well as English speaking citizens. When doing this they do not wrap up a sheaf of Bank of Canada notes and send them off by parcel post. In lieu of doing that they issue cheques. But is it not just as important for the recipient of such a cheque to be able to understand what is printed on it as it is for him to be able to understand that the Bank of Canada will pay a certain sum on demand?

I submit that it is. Cheques and other negotiable instruments are merely extensions of the currency system. The reasoning which lay behind the decisions of both Liberal and Conservative governments of a generation ago to issue currency bearing French as well as English inscriptions is just as valid when applied to negotiable instruments.

Perhaps, in spite of my argument, some hon. members may think that the use of bilingual cheques should be limited to those parts of Canada where most French speaking citizens reside. But, Mr. Speaker, I would call their attention to the fact—and again I go to the 1951 census for my information—that very nearly one million citizens of French origin reside outside the province of Quebec. It has been said by some of my hon. friends opposite, Mr. Speaker, that there is some likelihood of a general election being

held before long. I know nothing of that. But I do suggest to them that if this indeed be the case, then a million people represent an awful lot of votes, votes they may need. If these members can see their way clear to support this bill, I am sure those citizens of French tongue who reside in their ridings will appreciate the fact.

So far, Mr. Speaker, I have based my argument on the very practical consideration of communicating with our fellow citizens of French language who do not understand English. But there is another consideration to which we should give great weight in approving or rejecting Bill No. 6. It is that the cement of common citizenship in this great country is slowly hardening, binding together both races for the better pursuit of our common destiny. The old division between English and French is being bridged—slowly, perhaps, and with difficulty. Old antagonisms and old suspicions are hard to root out. But rooted out they must be if we are to survive as a nation, if we are to play our part in preserving our civilization.

I implore hon. members, Mr. Speaker, to look about them in the world today and consider whether Canada can afford to be disunited; to consider whether they can afford to reject any proposal, however insignificant it may seem against a global backdrop, which will foster Canadian unity. I submit, Mr. Speaker, that the legislation proposed by the hon. member for Beauce can be likened to a timber in the bridge we Canadian people—all of us—are building over the gulf of misunderstanding and distrust which for far too long has divided and weakened our country.

Mr. Speaker, I support the proposal of the hon. member for Beauce to make further practical and valuable use of the French language in this country.

(*Translation*):

Mr. Knight: Mr. Speaker, on a question of privilege, I would like to say that I do not object to the bill being carried, as the hon. member said.

(*Text*):

Mr. Proudfoot: I do not think I can answer the question of the hon. member who spoke for the opposition, as his French is so bad I cannot understand him.

Mr. Knight: I would say, Mr. Speaker, that his French is considerably worse than mine.

(*Translation*):

Mr. Ovide Laflamme (Bellechasse): Mr. Speaker, I sincerely congratulate the mover of this bill and I also wish to congratulate immediately and quite sincerely the hon. member for Pontiac-Timiskaming (Mr. Proudfoot) for the generous contribution he just made with respect to that proposal, which to my mind should carry the approval of all hon. members of the house.

Here is what we can read in the explanatory notes accompanying the resolution moved by the hon. member for Beauce (Mr. Poulin):

> The purpose of this bill is to provide that every cheque, draft, traveller's cheque, bill of exchange, postal note, money order, postal remittance and any other similar remittance of any department as defined in paragraph (f) of section 2 of the Financial Administration Act or of any crown corporation enumerated in schedules B, C and D of the same act shall be printed in both the English and the French languages.

Mr. Speaker, it is as a Canadian, as an average Canadian citizen, no more, no less, that I feel it my duty to bring my support to the bill at present before the house. I remember that last year when the hon. member for Beauce introduced Bill No. 149 of the third session of the 22nd parliament, several members who are now sitting in this house brought forward impressive arguments in support of that proposal.

This year in very similar terms the same bill is introduced as Bill No. 6. The purpose of the bill seems extremely simple. It merely requires that all negotiable instruments of the government be printed in the two official languages of this country.

I have often heard prominent Canadian citizens from every civic or religious field, boast of the duality of culture in this country and quote this fact as an example to be followed by other countries. I do not see why members of the Canadian parliament would not get together to enact a legislation which will give a more concrete importance to our double culture.

The immediate effect of this bill is to make the Canadian government issue in both official languages any negotiable instrument. Its purpose is therefore to give greater recognition to the principle of bilingualism in this country.

I am not one of those who believe that adoption of this bill would constitute a favour to French speaking Canadians; I think it would rather be the recognition of a right given by the Canadian constitution of 1867 and more particularly by section 133 of the British North America Act.

I am convinced, Mr. Speaker, that the majority of the members of this house are broadminded enough not to consider that this legislation asks for anything more than the recognition of a rightly understood principle of bilingualism in Canada.

French speaking Canadians have never sought to be anything else than Canadians, as attached as anyone else to their country,

but as proud of their origins and traditions as other Canadians of different culture and origin. Living in a country which they have pioneered, having always heartily supported every measure intended to make our country an independent and strong nation, my fellow citizens want to be at home everywhere in Canada, and a measure such as this would more effectively recognize true Canadianism, where there is no boundary between our two great cultures. I am glad to emphasize that, in the past, marked progress has been made in that direction mainly through the British North America Act of 1867, when the fathers of confederation, in their desire to lay the foundations of a great country, recognized the ethnical characteristics of the two great people of our country.

Besides, in 1927 the Canadian parliament enacted legislation providing for the issue of bilingual postage stamps and money orders.

In 1936, the Canadian parliament provided for bilingual money. In this respect, I would like to remind hon. members of the numerous appeals that were made in this house by one of my predecessors in the riding I have the honour to represent, the hon. Justice Oscar Boulanger, who battled a long time in this house for this legislation.

In 1946, the Canadian Citizenship Act was enacted, and, to my mind, it amounted to another piece of legislation such as to reassert bilingualism in this country.

In 1949, parliament voted the act abolishing appeals to the privy council in London in civil matters and providing that the Supreme Court of Canada be the court of last resort in this country.

In 1952, the Canadian parliament adopted an act providing for the appointment of a governor general of Canadian origin.

All these measures, Mr. Speaker, point out further the true character of our dual culture in Canada. I am sure that in adopting this bill parliament will take a firm stand likely to show all Canadians that it realizes the will of the great majority of our fellow citizens to live together in harmony, whatever their racial origin. Thus, feeling at home anywhere in Canada, they will be able to see in our statutes the assertion of their mutual qualities and of a true Canadianism.

In closing, Mr. Speaker, I wish once again to pay tribute to the hon. member for Pontiac-Timiskaming for supporting this bill and I do recommend its adoption.

[Mr. Laflamme.]

Mr. Georges Villeneuve (Roberval): Mr. Speaker, as the representative of a constituency whose population is 98 per cent French speaking but 100 per cent respectful of the rights and prerogatives of the English speaking minority, I believe it is not only my right but also my duty to intervene in this debate on Bill No. 6 moved by my friend the hon. member for Beauce (Mr. Poulin).

That bill tends to amend the financial administration act (chapter 116 of the Revised Statutes of Canada 1952) by the insertion of section 33A which would make it mandatory to issue all bills of exchange and particularly all cheques of the various federal departments and boards in the two official languages of this country, English and French.

I feel that this bill is an important step towards national unity which is increasingly dearer to Canadians from the Atlantic to the Pacific and which we all agree to consider as the cornerstone of the future of our dear country. National unity cannot exist without mutual understanding and I believe that such understanding cannot find better expression than the very means of expressing our respective thoughts, our two languages, which the British North America Act made official in Canada.

I have received representations about that bill from many citizens in my constituency and I therefore faithfully express the wish of men and women of Roberval county when I support it, as I have always considered it my duty to speak on behalf of their rights in this house every time I had the opportunity to do so. Thus I always have the feeling not only of working in the interest of my fellow-citizens, but also in the interest of our country as a whole which has, as one of its main characteristics, the distinction of being bilingual and biethnical, a partner in the enrichment we have gained by the contact of the two great civilizations which have made their mark in the past and will continue to find Canada a ground favourable to their fulfilment if we give them a chance to progress freely; I mean the French and Anglo-Saxon civilizations. This favourable ground, I see it not only in a platonic mutual respect, but more particularly in the official expression of bilingualism in Canadian life.

The Liberal party to which I am proud to belong has not failed in its chosen mission which is to guide the development of this country towards a healthy canadianism. I have always felt at home in this party since I have been able to observe a very great breadth of mind among my Liberal colleagues, of whatever racial origin. This broadmindedness today finds an opportunity for very prac-

tical expression. That is my reason for supporting the measure introduced by my hon. friend the member for Beauce. I would be ill-advised, in any event, to refuse this support since I remember having already requested, in this house, the printing in both official languages of negotiable instruments, notably of cheques issued by the government.

The hon. Minister of Finance (Mr. Harris) who, we know, is making praiseworthy efforts to learn and to speak French is in my view, the very man to support the cause promoted by this bill. Bilingual bank notes and bilingual postage stamps adopted more than twenty years ago have been, in this country, vehicles for efficient Canadianism. They have most certainly contributed to the promotion of that national unity so dear to the heart of every Canadian worthy of the name. Negotiable instruments and notably bilingual cheques, issued throughout this country, would be ambassadors of good understanding and true Canadianism. This example would be all the more efficient in that it would originate in more exalted quarters, that is to say since it would come from parliament, from the very centre of Canadian thought which owes it to itself to appear in its true colours as is required by our motto *"A mari usque ad mare"*.

During the fall of 1955 I had the honour to accompany the Minister of Transport (Mr. Marler) in a tour of my constituency. Last year I had the honour to accompany the Minister of Citizenship and Immigration (Mr. Pickersgill). Do I have to tell the house how happy were my constituents to hear these high officials, following His Excellency the Governor General who had come to my constituency in 1954, address them in this beautiful French language which only those devoid of culture are unable to appreciate? I noticed that after they had gone, my constituents had felt within themselves a new pride in being Canadians and in representing one of the elements which go to make the greatness of our country as well as its originality from a world viewpoint.

I would feel sorry if the tradition of bilingual cheques were continued only in the province of Quebec. The development of a well thought out Canadianism is inconsistent with this furtherance of the detestable idea of a "Quebec reserve". This is all the more true since there are more than one million Canadians of French origin, speaking French, in the nine other provinces of this country. The proposed measure, because of its official character, would help each Canadian, wherever he may be in this country of ours, to feel perfectly at home.

Language being the most perfect expression of culture, it is also in the name of the Canadian culture that I support this bill. In that connection, I may be allowed, I am sure, to quote a few words from the Most Reverend Father Georges Henri Lesvesque, O.P., a son of Roberval who is known everywhere in Canada and of whom we are proud and rightly so. He said, in a speech delivered in Toronto in February 1955: "It is in the mind and the heart of Canadians that a spirit of brotherhood is born. It is their cultures which bring Canadians together, which will teach them to know each other and thus to better understand and help each other." And he went on: "A society like ours which extends its protection to the full growth of so different racial elements and whose members believe that mutual respect for their distinctive features is the first requisite for their common welfare, is an excellent example of civilization." Any real patriot cannot but wish that these two magnificent cultures will truly turn, to an ever increasing degree, to the glory and the enrichment of the whole of Canada."

It is to that magnificent endeavour that I wish to contribute by supporting the bill now before the house.

(*Text*):

Mr. J. H. Ferguson (Simcoe North): Mr. Speaker, this bill certainly means a great deal to all citizens of Canada. In some parts of Canada one view is expressed and in other parts there are other views with respect to whether or not we should adopt the printing of negotiable instruments in both the English and French languages.

I do not feel quite as strongly about the matter as other hon. members apparently do.

If a person wishes to explain why we should do this, I think he should have the subject sufficiently at heart so he would not be obliged to read his entire address to the House of Commons. If a person is serious about anything in the House of Commons, after he has been here a certain number of years I feel that he should not rise in his place and read his speech, but should let us hear what he has to say speaking from his heart.

An hon. Member: Tell that to your party.

Mr. Fernand Girard (Lapointe): Mr. Speaker, I think that sometimes it is better to read than to say nothing at all.

(*Translation*):

Mr. Speaker, may I be permitted, before making a few remarks, to congratulate the previous speakers. At the same time, may I kindly point out that there is but 25 minutes left to deal with this bill. Therefore, if we went on with as much eloquence and as much generosity as we have done so far, the bill could very well be choked by that warm embrace because if we talk until ten o'clock it will mean a first class funeral for that proposal.

No argument need be advanced in favour of this bill. On the contrary, it should be carried without the slightest delay. It is based on principles which are fundamental in Canada. I feel, like many other Canadians, that statements of principle would tend to be lowered to the level of electoral considerations if some legislation did not occasionally confirm the feelings so eloquently expressed about national unity. It is sometimes said that we must rely on public opinion since it is the safest guide and that the task of enforcing such measures must be left to public opinion and not to parliament. However, I do not believe that this dangerous argument can be applied in any way to this bill. A matter which goes right down to the soul of a nation, such as official bilingualism, leaves no ground for discussion. When the tradition, the history and the constitution of our country are at stake, we have no alternative but to respect them without discussion.

This bill is based on these sacred rights; to reject it would not be simply to repudiate what we are but it would be a crime of lese-majesty.

Mr. Adrien Meunier (Papineau): Mr. Speaker, I want to make a few observations to the hon. member for Lapointe (Mr. Girard), who, at the beginning of his remarks told us that there was only 25 minutes left to discuss the bill, and that we should not speak about it until ten o'clock, because that would mean a first class funeral.

I wish to tell him that we all have a right to express our views about the bill which, if it is not carried today, will stay on the order paper, just like all other bills, and as the house will sit again in the coming weeks, members will have other opportunities to study it.

There is no need to rush matters. We are here to express our opinions, and I suggest that it is not by rushing things that we will be able to discuss them freely. I have listened to the arguments expressed by the hon. member for Beauce (Mr. Poulin) in support of that measure, and I must congratulate him on the serious motives he brought in support of this proposal.

[Mr. Girard.]

Since we have in this country bilingual postage stamps and money why should it not be the same for cheques and negotiable instruments issued by the government? What is asked for in this bill is nothing more than simple logic. If certain instruments within the jurisdiction of the federal government are bilingual, why should it not be the same in all cases.

Bilingualism has a purpose and it is a well known fact that it has constantly progressed in Canada and that its use is helping the cause of national unity.

We are trying to teach the younger generation the double culture which gives its vitality to our country, by teaching the French language to the young English speaking Canadians, and the English language to the young French speaking Canadians. Why do we see those young students from French universities fraternize with their fellow students of the English universities? Why do we see the students from English provinces spend their holidays in the province of Quebec in order to learn French, and those from Quebec go to the English provinces in order to improve their knowledge of the English language? All this is done in order to develop bilingualism and cement understanding and goodwill between both racial groups of our country. If we have such movements, it is because the Canadian people understand the characteristics of bilingualism and want it to carry its full effect.

When we see crown corporations give evidence of bilingualism as do the Canadian Broadcasting Corporation, and the St. Lawrence Seaway Authority by issuing bilingual cheques, we cannot help congratulating their officials for their attitude and telling them that they show a great understanding of their responsibilities toward the Canadian people.

Under those circumstances, it is easy to see that the Canadian people want bilingualism to develop and increase in this country; therefore I support wholeheartedly the measure introduced by the hon. member for Beauce.

The hon. member has shown us that bilingual postage stamps and money had been prejudicial to no one, and that the issuing of bilingual cheques wil not affect the rights or privileges of any Canadian, but that, on the contrary, it will help the cause of national unity.

Mr. Arthur Masse (Kamouraska): Mr. Speaker, I am happy to join the previous speakers in extending congratulations and thanks to the hon. member for Beauce (Mr. Poulin) for being so tenacious in presenting this bill which, I am sure, has as much significance for his constituents as it has for my own constituents.

Since I have been sitting in this house I have often noted that we can all have the same object in view but hold different opinions as to the best manner in which to attain it.

The purpose of this bill is to cement Canadian unity in providing that all Canadian citizens, when they get a cheque from Her Majesty, will get it printed in both languages. I see no more objection to that than in the case of a money order printed in both the official languages of the country.

We of the province of Quebec have only to go back to the past to realize that we deem it somewhat important to have cheques and money orders or any document whatsoever from the federal treasury printed in both languages. French and English are the two official languages in this country.

I find some interesting statistics in pamphlet no. 84 from the information division of the External Affairs Department, based on a text of Charles Bilodeau of Laval University, Quebec city.

As a matter of fact, to refer to my own little home county in lower Quebec, French has been spoken there from 1608 to 1759. For this reason, it will easily be understood that atavism or devotion to our tradition demands expression in the beloved language of those who founded that part of the country. After 1760, there was an increase in population either by natural growth or by immigration.

After the 1951 census, the percentage of people of French origin in Canada was stated as follows in the different provinces:

Newfoundland	2.7
Prince Edward Island	15.7
Nova Scotia	11.4
New Brunswick	38
Quebec	81.9
Ontario	10.4
Manitoba	8.5
Saskatchewan	6
Alberta	—
British Columbia	3.5
Yukon and Northwest Territories	15.6

The above table therefore indicates a proportion of about 30 per cent of French Canadians in comparison with Canada's total population. I want to point out that practically four fifths of these people live in the province of Quebec.

If you refer to the census of 1951 (vol. I, table 53), you find that French-speaking and English-speaking Canadians present the following pattern: English, 67 per cent; French, 19.5 per cent; English and French, 12.3 per cent; neither French nor English, 1.2 per cent.

There is no denying the fact that the French Canadian population makes up about 30 per cent of the total population of this country. So it is only fair to expect that the official documents originating with the federal treasury should be issued in the two official languages of this country.

If you consider what took place after the treaty of Paris, on the surrender of New France to England, you find that there is nothing explicit on the language of the people of this country; still the use of French persisted. In 1774, the Quebec Act restored the French Civil Code and authorized the use of the French language before the courts.

In 1791, Canada was made up of Lower Canada and Upper Canada. In Lower Canada, that is in Quebec, the elected members of the legislature decided to use both languages in their debates as well as for the publication of the statutes and of related documents.

In 1840, the Act of Union stated that the English language would be the only official language of parliament but that, on the other hand, the statutes would be translated into French. However, in spite of that rule, a francophile member delivered a speech in French in the house and the use of the French language became more frequent such as is the case today.

In 1867, the Canadian confederation was set up. The constitution of the new nation was then incorporated into the British North America Act whose section 133 reads as follows:

> Either the English or the French language may be used by any person in the debates of the houses of the parliament of Canada and of the houses of the legislature of Quebec; and both those languages shall be used in the respective records and journals of those houses; and either of those languages may be used by any person or in any pleading or process in or issuing from any court of Canada established under this Act, and in or from all or any of the courts of Quebec.
>
> The acts of the parliament of Canada and of the legislature of Quebec shall be printed and published in both those languages.

The statutes of the House of Commons are printed in both languages. Besides, the official record of debates is published in both the official languages. Why then not print all cheques and instruments from the treasury department in both official languages?

If we look at what is going on in our schools, for instance in the provinces of Quebec, New Brunswick, Nova Scotia and Prince Edward Island, we see, as is apparent from a reading of the document to which I referred a moment ago, that there are 1,175 French-speaking classes in New Brunswick, 205 in Nova Scotia and 75 in Prince Edward Island.

To my mind, the printing of all official documents in the two languages would in no way reduce the necessity or the usefulness for each and everyone of us to understand both languages.

Over the last few years we have been in a position to observe remarkable progress

towards bilingualism in this country. In fact in some of our institutions French and English are generally placed on the same footing. Most French Canadian parents wish their children to have a practical knowledge of the language of the majority. Associations are promoting bilingualism by means of visits to the various provinces which make up the Canadian confederation.

Mr. Speaker for all the reasons which I have just given, I am happy to associate myself with the hon. member for Beauce and to congratulate him on having presented this bill.

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, the bill before us proposes to amend chapter 116 of the Revised Statutes of Canada 1952 so that in the future all negotiable instruments enumerated in section 33 shall be printed in the two official languages its effect to extend to all departments and crown corporations as defined in section 76 (1) (c). I congratulate the hon. member for Beauce (Mr. Poulin) for his initiative in introducing this bill. In so doing, he not only reaches at the purest source of liberalism but he undoubtedly answers the desire of the great majority of Canadian citizens.

It is mere common sense that negotiable instruments issued by the Canadian government be bilingual. If everywhere today people take pleasure in pointing out the dual culture of Canada, it seems to me that it is only logical that the government be the first to recognize everywhere and forever the reality of bilingualism by issuing bilingual cheques as soon as possible.

In declaring myself in favour of this legislation, I am far from feeling as if I were seeking a privilege, for even though bilingualism at the national level is not expressly recognized in the act of confederation the point here is whether a right should be recognized. As a matter of fact, the constitution must not be read in a restrictive way but rather in its broadest meaning in order to promote throughout Canada a spirit of understanding and good feeling between the two great races which make up our nation. It is unfortunate that we feel obliged to raise these questions from time to time and I believe that we will always deserve credit for doing so very carefully. We must do it, nevertheless, for the great difficulty is not misunderstanding but rather the lack of a clear and accurate text.

I must say here that the Liberal party has been doing from time immemorial more than its share to straighten out this defect in our constitution.

Mr. Speaker, it was in 1936, under a Liberal government, that a bilingual character was given to our money. Since then, various federal organizations like the St. Lawrence Seaway Authority and the C.B.C. have already issued bilingual cheques. We also now have a bilingual stamp. All we have to do now is to make official what custom has already consecrated in various departments. I am therefore in favour of a legislation which, I believe, today meets with no opposition from any part of our people. And I may well make this comment, Mr. Speaker, because I am representing a riding where perhaps a little more than a third of the population is English-speaking. I know that such legislation is popular with us, for both races are doing their best to get along together. Moreover, it is by making concessions that we shall succeed in bettering this mutual understanding.

I recognize that the implementation of this piece of legislation may run into some difficulties at the administrative level. But I rely on the understanding of the hon. Minister of Finance (Mr. Harris) to eliminate those difficulties, to get around them, so that, right from this year, the negotiable instruments issued by the government may be bilingual.

Mr. Speaker, I would like to dwell on this matter at greater length. I notice it is 10 o'clock and so I move the adjournment of the debate.

(*Text*):

On motion of Mr. Deschatelets the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, tomorrow we shall take the supplementary estimates and then second reading of the bill to amend the Canadian Wheat Board Act; then the resolution in the name of the Minister of Justice, and the resolution in my name with respect to municipal grants.

Mr. Hansell: Not the council?

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

ANSWER TO QUESTION

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

INDIAN AFFAIRS—DISTRIBUTION OF TRUST MONEYS

Question No. 53—**Mr. Holowach:**

1. In what manner are distributions of mineral, timber, oil royalties, interest earnings or other moneys held in trust for treaty Indians, presently being made?
2. Is this policy being practised in respect of all reserves in Canada?
3. What was the total amount of money accruing from the above sources in the province of Alberta for the years 1951 to 1956 inclusive?
4. What was the amount of distributions to each of the Indian reserves in Alberta for the years 1951 to 1956 inclusive?

Answer by: **Hon. J. W. Pickersgill (Minister of Citizenship and Immigration):**

1. Trust funds are distributed in accordance with the provisions of the Indian Act—largely under sections 15 and 64 to 66, and in the case of surrenders in accordance with the provisions of such surrender.

Question

2. Yes.

3. $10,970,212.04.

4. Distribution in cash:

Enoch's	$259,932.00
Blackfoot	815,742.77
Alexander	34,150.00
Hudson Hope	1,050.00
Louis Bull	16,400.00
Sarcee	52,870.00
Samson	90,281.00
Montana	8,720.00
Ermineskin	32,760.00
Alexis	21,333.00
Stony	23,525.00
Blood	721,026.00
Paul's	22,420.00
Peigan	76,465.00
Frog Lake	1,290.00
Michel	26,585.38
Beaver of Fort St. John	4,570.00
Saddle Lake	61,585.00
Duncan's	9,495.00
Pigeon Lake	628,465.00
	2,908,665.15

HOUSE OF COMMONS

Friday, February 1, 1957

The house met at eleven o'clock.

HOUSE OF COMMONS

THE PRIME MINISTER—CONGRATULATIONS ON BIRTHDAY ANNIVERSARY

Mr. Speaker: There occurs today one of those happy parliamentary occasions when we wish to pause briefly to do honour to one of our own. I refer of course to the birthday of the right hon. the Prime Minister. It appears that all hon. members wish to join me in extending to him and to Madame St. Laurent our most heartfelt congratulations together with our best wishes for continued health and happiness and, of course, many happy returns of the day.

Mr. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, this is indeed an historic occasion, being the second time since confederation that a prime minister while in office has attained the age of 75 years, the other being of course the founder of this country, Sir John A. Macdonald. This is one occasion that permits parliament to reveal its glory which consists in the fact that the sentiments that separate us on different sides of the house are not as great as the sentiments that join us together. On behalf of Her Majesty's loyal opposition, and I am sure on behalf of all members of the house, I extend warmest congratulations and felicitations to the Prime Minister, coupled with the hope that he may enjoy many more years of good health and much happiness.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on behalf of the leader of this group (Mr. Coldwell) and all my colleagues I should like to join with Your Honour and the other members of the house in heartiest felicitations to the Prime Minister on his birthday. We are glad to see him looking so well and wish him many happy returns. I am sure he will understand if I add that we feel that surely the time has come for him to enjoy a very happy retirement.

Mr. Solon E. Low (Peace River): Mr. Speaker, I am sure I speak for all my colleagues when I say we are delighted to see the Prime Minister enjoying such good health and living in such vigorous fashion on this his 75th birthday. I had thought during the past few months that he must have found the fountain of youth and it was in my mind to ask him privately some time just what it was and where I could find it but I was afraid he might suggest to me that I join the Liberal party and then I would find it. Seriously, I do want to join with others in extending to the Prime Minister our heartfelt felicitations, our good wishes and to express the hope that he will enjoy many more years of vigour, good health and usefulness in whatever calling he may follow.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I wish to thank you and, through you, all the members of this house for the great satisfaction your words and the way in which they have been received give one when he passes another milestone after a considerable number that have been passed in previous years. To the Leader of the Opposition (Mr. Diefenbaker) and to those who speak for other groups in the house I wish to express my complete agreement with their stated opinions this morning that though there are many things upon which we disagree and upon which we express our disagreement in this forum, there is no doubt that much stronger and more impressive than the divergences which arise in our opinions and in our expressions is the sentiment that we are all Canadians and all doing our best here to serve our fellow Canadians. That, I am sure, is the solid basis of the personal friendships which exist between the members of this house and of the sentiments which are expressed on every occasion when it is the turn of any one of us to be passing one of the milestones in his life. I am really happy to be of the group that thus in friendship, each to the best of his ability, strives together to serve our fellow Canadians.

The hon. member for Winnipeg North Centre (Mr. Knowles) wishes me years of happy retirement. I feel that I shall be happier as long as I do not have to reach the point where retirement would be the wisest decision to make. It was felt in the garden of Eden that the condemnation to earn one's bread by the sweat of one's brow was a real condemnation. That was long ago. I think the greatest satisfaction we get out of life now is that of doing useful work to the best of our ability.

[*Later:*]

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Prime Minister, Mr. Speaker. I must say prior to putting my question that in view of the general and very sincere rejoicing at the Prime Minister's celebration of his 75th birthday I regret that my parliamentary and non-conformist conscience prompts me to ask what might be considered in some quarters a somewhat indelicate question. Does the Prime Minister know who is paying the expenses of the ladies and gentlemen of the fourth estate who will be attending an important event in Quebec tomorrow?

Mr. St. Laurent (Quebec East): I do not know what arrangements, if any, have been made for members of the fourth estate who may be contemplating attending what the hon. gentleman refers to as an important event in Quebec tomorrow. I, myself, have been invited to attend a dinner and I have accepted. I intend to pay my own expenses. I have not inquired, I have given no thought to inquiring and I do not now feel it would be proper for me to inquire, as to what arrangements have been made by or with or for other guests who may have been invited and who may have accepted to attend.

Mr. Herridge: May I direct a supplementary question to the Minister of Trade and Commerce? Could he enlighten the house in this respect?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I have been invited to say a few words at the gathering. I was informed at the same time that I would have to buy my ticket like everyone else, which I have done. I would assume that everyone who attends will be in the same position.

ROYAL CANADIAN MOUNTED POLICE

STATEMENT ON REQUEST FOR PERFORMANCE OF MUSICAL RIDE IN UNITED KINGDOM

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, I should like to make a statement in respect of an announcement being made in Great Britain.

Last summer a number of the most prominent agricultural societies in the United Kingdom requested through the Department of External Affairs that the Royal Canadian Mounted Police musical ride be made available for presentation at selected agricultural fairs and other events there during the summer of 1957. The government has agreed to this and accordingly the ride will be going to the United Kingdom this coming spring.

This well-known and distinctly Canadian attraction consists of 32 mounted men under command of an officer. There are also included a senior N.C.O. riding master, a band conductor, and two to four spare riders. On December 3, 1956, a series of musical ride engagements in Canada and the United States was completed. These engagements were widely acclaimed as outstanding and those presented in the United States brought, I am sure, a great measure of credit to this country. The troop going to the United Kingdom will be composed of substantially the same personnel.

At a recent meeting of the royal agricultural society of England delegates expressed their gratitude and warm appreciation to the Canadian government for its generosity in making the Royal Canadian Mounted Police musical ride available in the United Kingdom this summer.

Although no definite itinerary has been arranged as yet, it is understood that the committee in the United Kingdom which is co-ordinating arrangements has received applications from 10 of the largest and best known agricultural societies for the appearance of the ride at their annual exhibitions. As an indication of the interest and enthusiasm back of the invitation, one of the royal agricultural shows has in mind slanting its whole program towards Canada provided our ride can be featured.

The troop will receive its final training at the Rockcliffe barracks during the early spring and travel by ship to a United Kingdom port towards the end of April.

[*Later:*]

On the orders of the day:

Hon. W. Earl Rowe (Dufferin-Simcoe): Mr. Speaker, may I direct a question to the Minister of Justice. In view of the statement made by the minister with reference to the musical ride being sent overseas, which I think is well merited and will be an excellent and attractive advertisement, I would like to ask the minister if he would give consideration to the possibility that there might be extra demands for them in the old country and probably in Europe for another year. While it would be too late this year to make much change I would like to ask him at this time to give consideration to improving the type of horses that are used in the musical ride. Many of the horses are growing old and because they are going overseas they are not a good advertisement for this country, which I think should be represented by a better class of horses than our military men have had a chance to use.

Some hon. Members: Oh, oh.

An hon. Member: Is this an advertisement?

Mr. Rowe: I do not say this jocularly, Mr. Speaker. I believe this is a situation to which some consideration might be given. I believe the horses are limited as to price. I would ask the minister if he would give consideration to improving the calibre of horses.

Mr. Garson: Mr. Speaker, I do not pretend to be as good a judge of horses as my hon. friend, but the information I have received from people who I would say are as good judges as my hon. friend is that for the purposes of the musical ride we have a most desirable type of horse. I know that this has been a matter of great concern to the commissioner of the mounted police for many years past and on various occasions when the matter has arisen he has discussed the question with me.

CANADIAN FARM LOAN ACT

AMENDMENT TO INCREASE AUTHORIZED CAPITAL OF BOARD

Hon. W. E. Harris (Minister of Finance) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the Canadian Farm Loan Act to increase the authorized capital of the board from $3 million to $4 million.

Motion agreed to.

PIPE LINES

TRANS-CANADA PIPE LINES—CONTRACTS FOR DELIVERY OF GAS EAST OF MANITOBA

On the orders of the day:

Mrs. Ellen L. Fairclough (Hamilton West): Can the Minister of Trade and Commerce inform the house whether any contracts have yet been signed between Trans-Canada Pipe Lines and any municipalities east of the Manitoba border for the delivery of gas, and if so with which ones?

Right Hon. C. D. Howe (Minister of Trade and Commerce): My understanding, Mr. Speaker, is that Trans-Canada does not deal with individual municipalities. The company deals with whoever owns the franchise in the area that it wishes to serve. I believe it is Union Gas that holds the franchise for Hamilton, which I presume interests my hon. friend. In the same way, Consumers' Gas holds the franchise for the Toronto area.

Mrs. Fairclough: I used the word "municipalities" but I meant the company or municipality as the case may be which had the franchise. Could the minister enlighten the house as to whether any contracts have yet been signed for the delivery of gas?

Mr. Howe (Port Arthur): All I can say is that sufficient contracts have been signed in Canada to justify the financing of a line that will cost, when built, $375 million. So, I think we can take it for granted that contracts for great quantities of gas have been signed.

Mrs. Fairclough: In Ontario?

Mr. Howe (Port Arthur): In Ontario.

IMMIGRATION

HUNGARIAN REFUGEES—PROVISION OF COMFORT ALLOWANCES

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I would like to direct a question to the Minister of Citizenship and Immigration, pursuant to a telegram which I am advised was forwarded to the minister by the chairman of the Abbotsford and district citizenship council relative to Hungarian refugees housed in temporary quarters in that area. Would the minister advise the house whether or not any comfort allowance is obtainable from the federal government to assist in providing these people with funds for incidental expenses?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): I would not like to make any answer offhand, sir. I was at a meeting all morning. I have not seen the telegram. I prefer to be quite precise in making an answer.

OLD ORDER AMISH SETTLERS—REFERENCE TO MINISTERS' STATEMENT ON JANUARY 18

On the orders of the day:

Mr. J. A. MacLean (Queens): Mr. Speaker, I should like to address a question to the Minister of Citizenship and Immigration. This question arises out of an answer he gave to a question I asked on January 18.

Would the minister indicate to the house whether or not the individual to whom he referred in his answer on that date failed to satisfy the immigration requirements because of characteristics common to the whole group to which he belongs? In other words, was this application a test case as far as Amish immigrants are concerned?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): I am afraid, sir, I did not hear the date to which the hon. member referred and I do not recall the answer I gave. I think it would be better for me to look it up. I might say, however, there is no such thing as a rejection because of the characteristics of a whole group. The

hon. gentleman can read the regulations; they are in very plain language.

Mr. MacLean: Mr. Speaker, a supplementary question. Would the minister say if it is possible that immigrants would be turned down because of an objection on their part to bearing arms or taking certain forms of oaths in connection with their applications for immigration?

Mr. Pickersgill: No, sir. Those in either case would not be considered reasons for rejection. There is always an immigration into Canada, and there has been for many years, of Mennonites and Quakers who I understand have conscientious scruples about taking oaths and who are allowed by the laws of this country to affirm.

SCOTLAND—REPORTED RESTRICTION ON NUMBER OF APPLICANTS

On the orders of the day:

Mr. H. O. White (Middlesex East): Mr. Speaker, I should like to direct a question to the Minister of Citizenship and Immigration. What are the reasons that only about 10 per cent of the applicants in Scotland for admission to Canada are to be admitted, according to recent newspaper reports?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, I think the statement in the newspaper article is quite untrue.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I should like to direct a question to the Minister of Citizenship and Immigration. He has stated that the report about the restriction on Scottish immigration is untrue. Will he please make sure it is untrue?

Mr. Pickersgill: I cannot make sure that it is true or untrue. I do know and I think everyone else knows that there has been an encouraging increase in the number of people in the United Kingdom who seem to want to come to this country. Various hon. members may have different interpretations of the reason for that, but I am inclined to think that it is because we have had great prosperity under a very good government. I am also quite satisfied, although I have been chary about making this prediction, that there is going to be a very substantial increase this year over last year in the number of immigrants from the United Kingdom, and last year was the best year since the war.

[Mr. Pickersgill.]

PATENT ACT

INQUIRY AS TO REPORT OF ROYAL COMMISSION

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I should like to address a question to the Secretary of State. Has the minister yet received the report of the royal commission on patents, copyrights, trademarks and industrial designs? If not, can the minister say when the report may be received and when it will be made public?

Hon. Roch Pinard (Secretary of State): I wish to thank my hon. friend for giving me notice of his question before I came to the chamber. The answer to the first part of the question is no. As to the second part of the question, I have been informed this morning that the commission expects to submit its report to me on copyrights and industrial designs at the beginning of April, and it is not expected that the report on patents and trademarks will be ready before autumn.

Mr. Argue: Can the minister say when the report will be made public? Will it be soon after he receives it?

Mr. Pinard: I would think that also depends on the exact date when it will be submitted to me in April. Whether the report can be made public during the session I think is a matter for speculation by both my hon. friend and me.

INTERNATIONAL TRADE FAIR

MONTREAL AND BRUSSELS—PARTICIPATION BY FEDERAL GOVERNMENT

On the orders of the day:

Mr. W. M. Hamilton (Notre Dame de Grace): Can the Minister of Trade and Commerce now inform the house whether the government plans to participate in the international trade fair to be held in Montreal, Quebec, in May of this year?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I am afraid I cannot. Ordinarily the Department of Trade and Commerce does not participate in any fair within Canada. That has been the policy for many years. We did for a time sponsor the international trade fair. That has been abandoned and my officers have been examining the situation of the trade fair in Montreal, but I am not optimistic about federal participation.

Mr. Hamilton (Notre Dame de Grace): I have a supplementary question. Is the $2,225,000 expenditure on the Brussels international trade fair proceeding satisfactorily?

Mr. Howe (Port Arthur): Yes, Mr. Speaker, the Canada building in Brussels was the first to be placed under contract. I understand that the work on the building is proceeding very well and I am quite certain that Canada will be on time when the fair opens.

Mr. Hamilton (Notre Dame de Grace): I have another supplementary question. Is the minister satisfied with the European manager and chef they have procured to run the Canadian restaurant at the Brussels trade fair?

Mr. Howe (Port Arthur): Mr. Speaker, the committee in charge did their best to interest a Canadian caterer in taking on the job. They were not successful. I am told that the caterer who has been secured operates a first class Belgian restaurant in Brussels. He visited us here and went over the arrangements and those responsible are happy with the plans he has in mind for operating the restaurant.

COMBINES INVESTIGATION ACT

SUGAR—REPORT OF RESTRICTIVE TRADE PRACTICES COMMISSION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Justice. Are press reports correct that the minister is today making public the report of the restrictive trade practices commission of its investigation into the sugar situation? If so, can he say whether the report calls for any action?

Hon. Stuart S. Garson (Minister of Justice): I did not get the last part of my hon. friend's question.

Mr. Knowles: Can he say whether the report calls for any action?

Mr. Garson: The answer, Mr. Speaker, is that the report is being tabled. Having regard to the fact that it deals with a field in this general subject matter in which there is scarcely any jurisprudence or experience, and since it indicates merely that there has been a first step toward a merger, we think, as is said in the announcement, the company should be given the opportunity to consider its position before we decide to take any further steps ourselves. All of this is in the press release.

Mr. Knowles: May I ask the minister a supplementary question. When he was in Manitoba last week did he take note of the representations made publicly by a manufacturer in Winnipeg and also by the Liberal women's association urging that something should be done to investigate the rising prices of sugar?

Mr. Garson: Yes, Mr. Speaker, I had correspondence with Mr. Ronald who is the manufacturer in question—

Mr. Knowles: Mr. Bond.

Mr. Garson: Yes, I should have said Mr. Bond. Ronald was the name of his partner. As a matter of fact, if I remember correctly I signed the last letter to him just last evening in this chamber. I have also had correspondence with the Liberal women. I will not detain the house with my explanation but they were dealing more with sugar prices than with the question that is the subject matter of this report.

Mr. Knowles: Would the minister care to table copies of that correspondence?

Mr. Garson: I have no objection.

HOUSING

N.H.A. LOANS—EFFECT OF INCREASE IN INTEREST RATE

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I should like to direct a question to the Minister of Public Works. Has the minister noticed the many announcements since the recent increase in the interest rate on N.H.A. loans to the effect that the one-half per cent increase in the interest rate will be ineffective and will not provide more money for housing in Canada? Has the minister any comment to make on those announcements and has he received any assurances that his measure is going to be effective? If he has not, is the government contemplating any additional action in order to assure a continuous supply of new housing in Canada?

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, I have not seen very many announcements saying that the steps taken will not be effective. On the contrary, I have received indications that they will be effective. Therefore the last part of the hon. member's question becomes hypothetical.

Mr. Regier: May I ask a supplementary question. Would the minister care to elaborate his statement that he has received assurances that the method to be employed will be effective? Is it the banks of Canada, the investment houses of Canada or the mortgage companies that have assured the minister there is now more interest in investment money in housing, or who has given this assurance?

Inquiries of the Ministry

Mr. Winters: Mr. Speaker, I have assured the house that would be the case and I am quite prepared to stand behind the assurance.

Mr. Colin Cameron (Nanaimo): Mr. Speaker, I should like to direct a question to the Minister of Finance. In view of the conflicting views and reports as to the effect of the increase in the interest rate on N.H.A. loans, would the minister consider making a reference to the banking and commerce committee which would enable that committee to hear the views of experts from the Bank of Canada and the banking institutions of the country.

Hon. W. E. Harris (Minister of Finance): I do not know what kind of conflict there may be in these matters. I accept what the Minister of Public Works has to say about the results of the credit restrictions on housing.

Mr. Cameron (Nanaimo): May I ask the Minister of Finance a supplementary question. In view of the fact that the increase in the interest rate for housing is only part of the government's general fiscal and monetary policy, about which there has been great controversy in the country, would he consider referring the whole question of the government's policy in this regard to the banking and commerce committee in order that hon. members may be able to discuss these matters with the experts?

Mr. Harris: It has been customary when the Bank of Canada's annual report is presented to parliament to refer it to the banking and commerce committee, which on most occasions has had the governor of the bank before it. I presume the same practice will be followed this year.

CENTRAL MORTGAGE AND HOUSING—PURCHASE PRICE OF VETERANS' DWELLINGS IN VICTORIA

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): Mr. Speaker, may I direct a question to the Minister of Public Works. Has he received complaints from a group of veterans in Victoria that the purchase price of their C.M.H.C. housing which they now occupy is out of line with current prices and, if so, will he please investigate?

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, I have received letters which are the usual type that we receive whenever we place any of these houses in a sales position. I have replied saying that in the light of all the circumstances and in accordance with our policy I believe these prices to be reasonable. There is no compulsion upon anyone to buy a house.

[Mr. Regier.]

HIGHWAYS

STATEMENT ON REPORTED PAYMENT FOR CONTRACT IN NORTHWESTERN ONTARIO

On the orders of the day:

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, I should like to answer a question asked on January 29 by the hon. member for Winnipeg North Centre (Mr. Knowles) in which he referred to an amount of $12,500 paid by one contractor to another to obtain a contract on a subcontract basis in Ontario. The hon. member asked:

Can the minister say whether any portion of that highway was part of the trans-Canada highway system?

The answer is "no". He then asked:

If not, does he know whether this practice has been followed in relation to work on any portion of the trans-Canada highway?

No such practice has ever been brought to my attention.

BUSINESS OF THE HOUSE

INQUIRY AS TO INTRODUCTION OF FURTHER LEGISLATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Prime Minister whether he is yet in a position to answer my question of Wednesday regarding such other legislation as the government may be laying before parliament this session?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, no, I am not yet in a position to give the hon. gentleman a full list of the measures which will be brought before parliament. I have asked that the departments be communicated with in that regard. That is being done and I am having a report prepared.

ADMINISTRATION OF JUSTICE

FAUTEUX COMMISSION REPORT—STATEMENT ON CHANGES IN REGULATIONS OR LEGISLATION

On the orders of the day:

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, on Wednesday last the hon. member for Vancouver East (Mr. Winch) asked the following question:

Can the minister advise the house whether it is his intention to recommend changes in regulations or legislation that come completely within federal jurisdiction and responsibility relative to recommendations made in the Fauteux report and the report of the joint committee on capital and corporal punishment and lotteries? If not, why not?

My answer to the first question is "yes". The second question is answered by the answer to the first question.

STATEMENT ON PERJURY BEFORE SENATE COMMITTEE—RESPONSIBILITY FOR ACTION

On the orders of the day:

Hon. Stuart S. Garson (Minister of Justice): Yesterday the same hon. member asked me the following question:

> Will the Minister of Justice inform the house whether or not the courts of Ontario have jurisdiction over the other place and the House of Commons and the evidence or operations given before or carried out by a committee of the other place? Will the minister in answering that also inform the house whether if a bill is passed in the other place and the House of Commons dealing with divorce that would not negate any charge by a private member of perjury, with the act having been passed. Third, as a further supplementary question, would the Minister of Justice also tell the house why a private member should have to do the minister's job for him?

The answer to those questions will be found spelled out at great length along with other material in the report of a debate which was attended by the hon. member for Vancouver East which took place in this chamber on July 8 last and which is to be found on pages 5878, 5879, 5880 and 5881 of *Hansard*. If the hon. member does not remember what took place, if he will read *Hansard* he will get his answer.

Mr. Winch: I read it but it was not conclusive.

SUPPLY

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

DEPARTMENT OF EXTERNAL AFFAIRS

Loans, investments and advances—

545. Loan to the United Nations Organization to help finance the clearing of the Suez canal, $1,000,000.

Mr. Diefenbaker: Mr. Chairman, since this matter was last discussed the whole question of the Middle East and the solution of the difficulties between Egypt and Israel has been before the United Nations. Naturally Canadians, as would be the case with people in other freedom-loving countries, are most anxious to ascertain the present position of the negotiations being carried on at the United Nations and also the probability of the two resolutions now before the United Nations assembly receiving the support of the necessary two-thirds majority. I would appreciate it very much if the minister would bring the house and the country up to date with regard to this question.

Would he also say whether or not in either or both of these resolutions there will be any mandatory requirement imposed upon Egypt to assure that the Suez canal will be open to the traffic of all nations, including Israel? After all, if we in Canada are to be asked to make a loan for a project there should be some assurance that in the event the project is proceeded with it will not be only a temporary clearing of the canal to be followed immediately by acts of sabotage on the part of Nasser and those associated with him.

On the basis of the information which only the government can have, would the minister say what the probabilities are whether or not Canada's representatives at the United Nations are now convinced that Nasser's future course will be a reversal of his previous course with regard to the canal? Certainly if the loan is made and the work proceeded with and it merely provides another opportunity for Nasser to destroy the usefulness of the canal and thereby make his contribution to preventing the free world from using the canal, a loan such as this will be worthless.

There is something more too in connection with the loan. What is the basis upon which the government contends that repayment will be made? Nothing very clear has been said in that regard yet. I know of no provision under the United Nations for the borrowing of money and I am wondering how provision will be made or what the plan is to assure repayment.

Finally, I repeat the question to which we received no answer the other day. What is Canada's attitude going to be now that she has taken a greater interest in the Middle East situation and in particular the Suez canal situation than the defence minister revealed in August last when he said Canada had no interest in the Suez dispute? What is Canada's attitude going to be with respect to securing repayment by compensation being demanded from Nasser?

Mr. Harris: Mr. Chairman, I must repeat the point of order I raised on Wednesday that this item is confined solely to a loan for the purpose of clearing the canal and should not give rise to a debate about other matters, particularly other matters which are under discussion at the United Nations at the present time. I am quite prepared to answer direct questions affecting the loan and the attitude that Canada is prepared to take and is taking with respect to the canal itself, but I submit with great respect that other general questions are out of order.

The first question directly affecting the loan is the method of repayment. I have made it quite clear on at least two occasions in the course of the debate—

Mr. Diefenbaker: Not very clear.

Mr. Harris: Permit me to complete the sentence. I have made it quite clear that it is an advance by this country for the purpose of expediting the clearing of the canal. It is a loan in the sense that we expect to receive it back in either one of two forms, either by repayment should some form of financing other than the present one be undertaken by the secretary general of the United Nations or if an assessment is ultimately made by the United Nations on the nations, including Canada, for the cost or a part of the cost of the clearing of the canal this payment will be credited to any such assessment as may be levied on Canada. If it happens that Canada's assessment is less than $1 million we will then have a repayment made to us out of any funds that the secretary general of the United Nations may be able to raise for the purpose of completing the clearing of the canal.

I do not suggest the probability of having this sum repaid to us within a matter of days or weeks. I think the probability is that the second alternative will be the one that will be acted upon, namely, that when the cost of the job is assessed among the members we will receive a credit and a refund should our assessment not total $1 million.

It is true, as the Leader of the Opposition said, that the United Nations does not have the necessary means of borrowing money and, as a matter of fact, that is why an appeal was made to Canada, among other countries, to provide money in this, may I put it, informal manner in order that the various salvage companies might have funds from time to time to pay wages and costs.

The second question directly related to the financing is the question of what the position will be with respect to Nasser and his attitude towards the canal when the canal is finally cleared. I think that everyone knows perfectly well that we cannot project in our own minds what the Egyptian government may do two or three months from now. This is a calculated risk that I think we are bound to take and I believe that hon. members opposite are prepared to take it.

It may well be that the present Egyptian government will continue to be as unco-operative with regard to some things as they have appeared to be up to the present time. But it is not the custom to refuse to take action if you cannot really see the end of your action. It is true that you must be careful about it and take all the precautions you can, but the problem is not whether we should lend the money now in the certain knowledge that in three months' time Nasser and his government will take a certain attitude towards the canal. The problem we have to face is, should the canal be cleared at the present time, what means should be adopted to do that, and then let us try to work out the means whereby the canal will be, as I have already said, free to the use of all nations.

Mr. Diefenbaker: Is he showing any signs of co-operation now?

Mr. Harris: So far as our knowledge goes, his attitude is reflected in the statements he has made and perhaps semi-officially in the statements made by the press of his country. One can interpret those attitudes in whatever way he thinks they should be interpreted.

Mr. Green: Can the minister tell us briefly what they are?

Mr. Harris: The only recent statement about which we have information is the one which I think would be put well down the list of official statements which was read the other day by the hon. member for Vancouver-Quadra. The press in Egypt has, of course, been conducting a campaign which would not lend itself to co-operation and compromise at this time anyway. But that is not to say that this will be the continuing attitude of the Egyptian government. Indeed, if the canal were cleared by the United Nations and if at that time the Egyptian government were informed by the United Nations to this effect: "We have undertaken this task; we have expended the sums of money with or without a final settlement of how the money is to be collected and we expect the canal to remain open now to the shipping of any nations free of any discrimination", we would hope, of course, that at that time the collective pressure of the United Nations would be sufficient to ensure that Nasser would not attempt to interfere with shipping in the canal.

Mr. Green: May I ask the minister a question?

Mr. Harris: Yes.

Mr. Green: Has he any ground for believing that Russia would join in the pressure on Nasser?

Mr. Harris: I think that would be too broad a statement to which to make a direct answer. However, I think it would be correct to say that there have been occasions, both in the United Nations and in public negotiations with other countries, when it has been indicated that Russia—with all the difficulties that we have recognized in our diplomatic relations with that country—nevertheless is as conscious as is any one of the possibilities which might ensue if a peaceful settlement were not arrived at of any particular problem. The

solution may not be satisfactory. It may only be a compromise of a good many interests and it may be a subject of irritation. I would hope that we would not find that world peace would be permanently jeopardized by a question such as whether or not the ships of all countries should have free access to the canal when it is cleared in two or three months time.

Mr. Cardiff: May I ask the minister a question?

Mr. Harris: Yes.

Mr. Cardiff: Is it not true that England and France offered to clear the canal free of any assistance from other nations?

Mr. Harris: What they offered was to be of assistance in clearing the canal and that offer has been accepted to the extent that some British and French groups are working on it. My understanding is that at least one of them—if not both—is doing it without charge.

Mr. Fraser (Peterborough): May I ask this question? Did not the British parliament the other day vote a sum of money for the clearance of the canal in the amount of some $39 million?

Mr. Harris: I have not been informed that was the case. I would be surprised if it were because that would represent almost the total cost of clearing the canal.

Mr. Fraser (Peterborough): That report was in the press.

Mr. Harris: I should be glad to see the report. Our last information is that the $10 million that was referred to at the beginning of this debate is still needed for the purpose upon which we base the request to parliament.

Mr. Fraser (Peterborough): May I ask another question before you proceed?

Mr. Harris: Yes.

Mr. Fraser (Peterborough): Has this government already paid any of that money over to the United Nations?

Mr. Harris: No, Mr. Chairman. We have paid no money at all to the United Nations in connection with this matter. I think my hon. friend is probably confusing this with the money we paid in connection with Hungarian refugees; I refer to the $1 million we paid in November for that purpose.

If I have not answered these questions directly, I should be glad to be prompted. I think hon. members will realize the impossibility of giving any assurance except that the government will use its best endeavours and the best possible diplomatic approach that we can make through the United Nations and through other sources, in order that in the time that will elapse between now and the completing of the clearance of the canal we shall have, if not direct assurance, at any rate acquiescence in the use of the canal unrestrictedly by other nations and subject of course to the conditions of the treaty and the rights of those who claim rights in the canal. This will be a matter of great debate, no doubt, at the United Nations during the next two or three months.

I do not think there is any difference of opinion at the moment in this house about what our attitude ought to be in the course of those negotiations. As I said the other day, I think that everyone believes that you are more likely to get peaceful solutions if your country is in good shape. The economy of Europe has been suffering because of the blockage of the canal. When people are spending money in higher taxes, higher costs for gasoline and the like, when they are put on quotas and rations and the like, it is far better to get them off those things at the earliest possible time not only for their own sake but for the sake of a state of mind in which one could make more suitable settlement of the difficulties that gave rise to the restrictions on them.

It has been a surprising thing perhaps to most hon. members that, since this trouble began, the price of sterling has strengthened. I would not suggest that it should not do so. However, a great many people looked forward to certain financial difficulties in Europe this winter, which difficulties are taking place but which are being met by the peoples there in a spirit which has maintained confidence in the currencies of those countries. I would not ascribe a reason for that. I merely report it. But even so, let us consider how much better those currencies would be and how much better the feeling of the people would be if their costs were cut and if they were put back in the position which they occupied before the difficulty with regard to the canal. While a political settlement of the difficulty is, of course, a most desirable end, I suggest that an economic solution to the problem is urgently needed; and I know that fact is appreciated by hon. members who, in the main, I think will agree with this vote.

Mr. Green: Mr. Chairman, it seems to me that the minister is being extraordinarily optimistic when he speaks as though all that is required to bring about an economic solution is for this money to be put up and then for the canal to be cleared. I am afraid that is just the beginning of the problem. The minister himself today has in effect admitted that there is absolutely no assurance that, the minute the canal is cleared, this dictator

Nasser will not take the position that British, French and Israeli ships cannot use it. Of course the minister cannot go any further than the actual facts of the case warrant. But I understand from him that that is the position, namely that the free world has absolutely no assurance that Nasser will allow the shipping of those three nations or for that matter the shipping of any other nations to use the canal once the money has been spent.

Mr. Harris: That is correct.

Mr. Green: I think that shows just how terribly serious this question is and the need for the Canadian government and the governments of the other freedom-loving countries to take a determined stand that this sort of nonsense is not going to be permitted any longer. May I ask the minister, for example, whether this question of free navigation of the canal is even under consideration in the debate now taking place in the United Nations? When the Prime Minister spoke on Wednesday he intimated to us that the whole position from Canada's point of view was covered by the speech made by the Secretary of State for External Affairs on January 29 in New York. We have now had an opportunity to read that speech. In it I find not one word about the Suez canal or about the question of navigation. May I ask the minister whether or not that is the fact, that all the discussions now taking place do not involve at all the question of the clearing of the canal or the free navigation of it?

Then, one other question I would ask him. Is there any move under way to use the United Nations emergency force as a police force in the Suez canal area as distinct from the Sinai desert, the Gaza strip and the gulf of Aqaba, to ensure that there is free navigation of the canal? Apparently, from all we can see, there is not any such intention. No nation seems to have mentioned it at the United Nations in the course of this debate, and yet I do not know of any other way in which the free navigation of the canal will be assured. I should like to know the opinion of the Canadian government as to whether or not this force should be given the task of policing the Suez canal itself until agreement has been reached under which there will be free navigation of the canal by the ships of all countries.

Mr. Harris: I shall try to answer both questions, Mr. Chairman. The first had to do with navigation, and whether it was under debate, and the second had the same purpose. I think my hon. friend misunderstood the Prime Minister the other day. You may remember that at the time I raised the same point of order that I have now mentioned again. The Leader of the Opposition had asked about the Gaza strip and other related matters in connection with the dispute between Israel and her neighbours, and it was that to which the Prime Minister was referring when he said that the attitude of the Canadian government could be gleaned from the speech which was made by the Secretary of State for External Affairs. The Prime Minister had in mind that it was that part of the question which had been addressed to him that would be covered by that speech. There was no intention to suggest that in the speech there was a discussion of the particular matter we are now discussing, namely, the canal itself, although I think my hon. friend will agree with me, having read the speech, that there were direct references to the gulf of Aqaba and other matters that stem a little bit from the canal clearing.

Mr. Green: But nothing about the canal.

Mr. Harris: No, I agree. The Prime Minister did not intend his answer should be taken in that light. He intended his answer to refer to those questions having to do with Israel and the Gaza strip which had been asked of him, and not to the canal itself. It was for that reason, as a matter of fact, that at that time I raised, as I raised again this morning and raise now, the point of order that we ought to confine our discussion to the canal rather than the Gaza strip and other matters that have arisen out of this but are not subjects we are discussing at the moment.

The second question has to do with the use of the United Nations emergency force in connection with the canal itself, and whether or not that is under discussion at the present time. I think my hon. friend should bear in mind the priority at the moment at the United Nations. At the moment, they are discussing the question of Israel, the Gaza strip and matters connected with whether or not Israel should withdraw and what should take the place of the Israeli forces should that withdrawal occur. The other question, the question of the canal and what happens to it after it has been cleared, will be discussed on the motion which will try to allocate the cost of clearing amongst the various members of the United Nations or in whatever manner may be decided.

At the moment, however, this subject is not under consideration because, as I say, the United Nations feels this other matter should have priority of consideration. As I said a moment ago, I am sure it will be raised during this session and at that time

there will be no point of order raised if discussion goes on about the canal and not about the Gaza strip.

Mr. Green: This is a discussion about the canal. The Canadian taxpayer is being asked to put up a million dollars to help clear that canal. Now, what is the stand of the Canadian government with regard to the use of the United Nations emergency force in the canal area in order to ensure that there will be free navigation for the ships of all nations? This must have been considered by the Canadian government. If it has not, it should have been because I believe that on November 2 there was a resolution adopted in the general assembly of the United Nations which authorized action to reopen the canal and this is the important part of that resolution to which I wish to draw attention and to secure full protection of navigation. The Minister of National Health and Welfare will correct me if I am wrong in that statement. The resolution of the assembly itself deals not only with the clearing of the canal but also with the free navigation of that canal.

Does the Canadian government believe, or does it not, that the United Nations emergency force should be used in the canal area itself until agreement has been reached which will ensure that all ships can use that canal?

Mr. Harris: I thought I dealt directly with the question on Wednesday, so I shall quote myself by reading two or three sentences found on page 807 of *Hansard* for January 30, 1957:

> I do want to give the assurance that coupled with the vote of $1 million which I hope the committee will approve we will reiterate the position we have always taken on this matter, that is that the Suez canal shall be free to everyone without discrimination in its use. What form the operative part would take is still a matter of great concern and indeed may not be foreseen at the present time, but the United Nations resolution saying that this waterway shall be open to all users is not only endorsed by Canada but will be endorsed by Canada and insisted upon in so far as we have the ability to do so.

I cannot give a more definite statement than that. We shall do all we can to see, once the canal is open, that that position is maintained. We shall use all the good offices we have at the United Nations—and I think my hon. friend agrees that they are quite extensive because of the high regard for the representative of the Canadian people there—to see that these negotiations and discussions result in the canal being open. Now, whether or not we would say that we would do this or that to achieve that result would depend, of course, on the progress in negotiation. We cannot say at this moment that unless certain conditions are met we shall not go along with this; we are going to do our best to convince all members of the United Nations that this position should be the ultimate outcome. I, for one, am inclined to think most members here would feel that what can be done will be done by our representatives there and if they are not able to bring it about probably no one would be able to do so.

Mr. Green: That is all very well, but the minister has not answered my question so I am going to repeat it. Does the Canadian government believe that the United Nations emergency force should be used in the canal area to ensure the free navigation of the canal? The minister said that the government is in favour of free navigation of the canal. Everyone in Canada agrees with that, but I am not so sure that Egypt does or that Russia does or that a great many other nations agree with it. It is obvious, it seems to me, that we must know something further than that. Here is this United Nations expeditionary force in the Sinai desert. This house was led to believe last fall, I do not know whether or not it was intentional, that Canadian troops were going to take part in the United Nations emergency force in order to bring about free navigation of the canal as well as an armistice between Israel and Egypt. That certainly was the implication contained in the statements of the Prime Minister and the Secretary of State for External Affairs. I think that is what should be done. I think the United Nations emergency force should carry out that job. Nasser has told us in the last few days that the minute the Israelis withdraw then the United Nations emergency force has to get out of Egypt and that, of course, includes getting out of the Suez canal area. There are two very distinct stands.

I should like to know whether the Canadian government is standing firm on the plan that the United Nations emergency force shall be used in the Suez canal area to ensure that there is free navigation?

Mr. Harris: Mr. Chairman, I am sure the Canadian government will stand firm on any pronouncement made by the Prime Minister and by the Secretary of State for External Affairs. I would not, however, draw the direct conclusion from what has been said by my hon. friend, that we have made a decision already that the United Nations emergency force ought to be used for the purpose that he has mentioned. In fact, I will go further and say I do not think we have made such a decision, although I quite agree that during the course of the past three months a good many things have been said and done which have affected the whole problem which gave rise to the difficulties we are now considering.

The real purpose of the United Nations force, of course, was to restore a situation in

which peace and stability could be achieved by negotiation. Now, to say at this moment that in three months' time we shall insist on the emergency force staying in the canal area for the purpose of ensuring free navigation in the canal is expecting too much of any government. We would hope that we could achieve the results of free navigation by negotiation. I do not think you enter negotiations with your hands tied too much, and I do not think it would be desirable if we said at this time that only on that basis would we participate in the clearing of the canal. On the other hand, I think we are only—to use the Prime Minister's words the other day—dealing in semantics.

Mr. Green: Has Nasser given the slightest indication that there will be free navigation?

Mr. Harris: No; I said that already this morning. He has not, so far as I am aware; but admitting that, I do not think we should sit down and allow things to remain as they are. We have to take some positive action to clean up difficulties which occurred in Egypt and in Israel.

Mr. Low: I have two questions in my mind that I wish to put to the minister. First, I must agree with him when he says that our first objective ought to be to get the canal cleared. I think that is understandable. The restoration of navigation in the canal is so important to the well-being and the economies of western Europe and they in turn have to be built up in strength if we are ever going to be able to provide the effective opposition to the communist imperialists that we must present, and I do not think there is anything we can do but to back the minister in his request for this $1 million to get the canal cleared. At the same time, I think we would like to feel that, as we join with the other nations in contributing money to see that the canal is cleared, we are buying one more right to demand that that canal be truly internationalized; that traffic through it be guaranteed to every nation. Furthermore, I think we also ought to make it abundantly clear through the firm attitude that we express that we are going to see to it eventually that Mr. Nasser pays for the malicious job he did in blocking up that canal.

I never found any more effective way of dealing with a boy who was just a little bit malicious than to make him pay the bill. I do not mean punish him by beating the dickens out of him. That is not my thought. But I saw a lad one time who maliciously broke the windshield of an automobile. His father could very easily have paid the bill; in fact, he did pay it but he said to the boy, "You are going to have the full cost of this deducted from your allowance over the months until it is fully paid for." That lad never wanted to break another windshield. I think it is exactly the same with Nasser because he is nothing but an overgrown boy and he is silly to boot. My own judgment is that he did this thing maliciously and we ought to make it abundantly clear that he and his country should repay the full cost in due course.

It does seem to me that if we go into this thing with a soft attitude and follow the diffidence that Hammarskjold has used in working with Nasser we will never get anywhere. I would like to believe that when we vote this $1 million and hand it over to the United Nations we ought to say to Mr. Hammarskjold, "You stiffen up on this business now and see to it that ample provision is made, whether through the use of the United Nations emergency force or in some other way, so that the canal zone will be occupied and administered by the United Nations until a perfectly sound agreement has been reached that will continue over the years and guarantee to all nations the right of unimpeded traffic through the canal." That is the first thing.

Then, I think we should also say to Mr. Hammarskjold, "Get it over to Mr. Nasser and his people that they are going to pay this shot and they will have to pay for any further malicious acts of this kind as well." If you stiffen up and do that, Mr. Minister, and see that our representative talks straight turkey to these people we will not hesitate to back you with this $1 million.

Mr. Harris: Just to answer—not the last question because I am sure the remarks of my hon. friend will be drawn to the attention of Mr. Hammarskjold—the former question: Before it was agreed to recommend to parliament that this advance should be made we did say to Mr. Hammarskjold what my hon. friend has said—

Mr. Low: Thanks.

Mr. Harris: —namely, that we are going to insist, and we will not put this request to parliament unless it is understood—and in doing so our position is quite clear—that this canal must be free.

Mr. McIvor: Mr. Chairman, I should like to ask the minister a question but first I would say I do not think there is one of us in this house who would like to see the dictator of Egypt placed in the position of Hitler and Mussolini. Somebody says that the United Nations has given him all the rope possible and he will soon hang himself. We would like to see that day now, but that

is not the question. The point I wish to make is that the United Nations is doing the job of clearing the canal; the work is going on now and it is our duty to pay for it. That is what this $1 million is for.

Mr. Zaplitny: Has the question of the status of the canal ever been referred to, or judgment passed by, the international court of justice?

Mr. Harris: No.

Mr. Zaplitny: If not, does the minister not think that this may be an appropriate time, while the canal is being cleared and while there are all these doubts in people's minds as to what the status of the canal shall be, to refer the question to the international court for a ruling in order that the United Nations could then have a clear guidepost for future action? Obviously, if we are to act as we talk, then the United Nations will have to take some sort of concerted action, or leave it to someone else to take action privately, which is the very thing we are trying to prevent. If the United Nations is going to be called upon or expected to take concerted action for the purpose of making this canal available for all shipping without discrimination, I think it would be of value if it had a clear-cut ruling on what the status is under international law. I should like to hear the minister's opinion on that point.

Mr. Harris: Mr. Chairman, there is no power in the United Nations assembly to compel the reference of a question to the world court. Under those conditions it is unlikely that with the temper of the persons concerned it would go to the world court although it could go by the consent of the nations concerned. Under those conditions I can only say I am quite sure this stratagem to bring about at least a legal opinion about the rights of the countries concerned has no doubt been considered by a great many of the people directly or indirectly involved. As I say, Mr. Chairman, while we here might all agree that that would be a desirable end, at the moment it is not a possible end without the consent of the countries concerned.

Mr. Zaplitny: I would like to get the answer clear in my mind, Mr. Chairman. The minister says, "without the consent of the countries concerned". In this instance does he refer to Egypt or does he refer to the countries which use the canal?

Mr. Harris: I refer to all countries. You cannot refer a question concerning a country to the world court by compulsion.

Mr. Hodgson: Mr. Chairman, I believe it was on Tuesday that the minister said that in making this loan Canada was acting as a temporary banker for the United Nations. In view of that would the Secretary of State for External Affairs be attempting to replace some of the supermen of Europe to whom the Prime Minister referred in a speech a few weeks ago?

Mr. Harris: I think, Mr. Chairman, the question was intended as a serious one and the answer ought to be that we are doing our best to bring out of the chaos in the Middle East not only just a cessation of the hostilities which we have already achieved, but a settlement of a great many of the problems which have grown up over a number of years but particularly since 1948. There is lots of evidence to indicate that any action taken requires the good will and the co-operation, either willing or under pressure, of almost every group concerned and that in bringing about that solution we are actuated by only one motive and that is to restore the situation so that trade can be resumed, peace can be more permanently established and, as I always think as Minister of Finance, so that money can be used for the development of trade and the improvement of the standard of living instead of some of the things for which it is now being used.

Mr. Pearkes: Mr. Chairman, I understand that the work of clearing the canal has been progressing for at least three weeks or more. Could the Minister of Finance say how those operations have been financed to date? Quite obviously the money must have been paid out to those companies which are doing the salvaging work and wages paid to their personnel.

Mr. Harris: As I said a moment ago, in some cases the salvage companies were doing it on their own or at the cost of the governments concerned. If the salvage companies themselves have not been financing their own operations in the expectation of receiving payment from the United Nations, I can only assume that they are doing the work with some kind of government assistance from their own governments although I have no knowledge that this is so. At any rate through the United Nations there has been no money paid up to the present time.

Mr. White (Hastings-Frontenac): Mr. Chairman, I think the minister made it very clear that at the present time there is no agreement or assurance of any kind with Egypt that they will keep the canal open after it is cleared. I take it from what the minister said that as soon as the canal is cleared it will then be solely under the jurisdiction of the Egyptian government subject to any agreement that may be made through the United Nations. I should like to ask the

minister if there has been any discussion so far about this canal and as to any claim that is going to be made for the loss of the revenue from the date the canal was closed until it has been cleared and reopened.

I understand that the average daily revenue at the date the canal was blocked was between $500,000 and $1 million. If that is correct, there is going to be in all probability a large claim made by Egypt against somebody and I would like to know if Canada is then going to be placed in the same position we are in now where we have to pay a part of the cost of clearing the canal and in addition make a contribution toward any claim made by Egypt for loss of revenue during the time when the canal was closed.

The minister said he hoped that, when the canal was cleared, through pressure brought to bear by the United Nations some agreement could be made. Surely the minister remembers how much pressure the United Nations exerted and how hopeless and helpless they were in doing anything about Hungary because Hungary was backed up by Russia. Does he not feel that the United Nations is going to be placed in exactly the same position as far as Egypt is concerned if Egypt refuses to allow the passage of ships of all nations through the canal?

Further, why should not Egypt pay the entire cost of clearing the Suez canal? I do not know the number of ships sunk, but I believe practically all the ships, vessels and barges were sunk by Egypt. If Nasser should fly into a rage again, what is to prevent him from doing exactly the same thing? As far as I am concerned there is nothing that the United Nations can do legally to prevent Nasser operating that canal or blocking the canal again. Once again we are going to place our hopes in the United Nations. I think the minister and the government must realize at this date, which is far too late, that the mistake was in the pressure put on Britain and France by the United Nations, in which Canada played no small part, to withdraw from Port Said. If Britain had been allowed to proceed there the canal would have been protected, would not have been blocked and the United Nations would be in a much better position today than they are.

Mr. Hahn: Mr. Chairman, I believe the minister indicated that our contribution or loan would be deducted from the assessment we pay to the United Nations fund. Is that to be taken directly from the service the United Nations offers or from the general fund to which we contribute for the operations of the United Nations itself?

[Mr. White (Hastings-Frontenac).]

Mr. Harris: It is to be an additional assessment to the annual one of, I think, 3.7 or 3.8 per cent.

Mr. Fulton: May I ask the minister, Mr. Chairman, if he does not consider it reasonable that before we should be asked to vote $1 million to be paid by the people of Canada there should be an attempt which need not take long, and not only an attempt but should it not be decided, that Nasser should give a clear indication of his intention with regard to the future use of this canal? Otherwise does the minister not agree that we are being asked to vote $1 million without any knowledge of whether it is going to be put to useful purposes or thrown away? What is the use of clearing the canal if we find in fact it is not going to be open to ships of all countries who so vitally need it? Why is not an attempt made to obtain a clear and unequivocal statement from Nasser with regard to his intentions concerning the future use of the canal?

Mr. Harris: For the reason I gave a short while ago, Mr. Chairman, that all the advantage at the moment seems to be on the side of clearing the canal pending negotiations for the ultimate use of it rather than doing nothing. I made it quite clear that in the absence of a direct statement by Nasser it is our opinion, and I believe it is the opinion of my hon. friend, that it is better to take three or four months while this work is going on to negotiate this question than to ignore it and have a tremendous cost added on to the various nations that are suffering because of the closing of the canal, and hope that that in itself would be a sufficient reason why in the long run a satisfactory solution might be made. But in any event I must say that it would seem to me that we could not look forward to doing nothing about the canal even if the Egyptian government does at the moment appear to be saying, "We are not going to say now what we will do in three months' time." In effect, that is the situation.

Mr. Fulton: May I just follow that up, because I do not gather from the minister's previous statement that instructions have been issued to the secretary general to obtain a clear statement from Nasser of his intentions. I should not think that that would take three or four months; it should be possible to do that in a matter of days. I do suggest therefore that three or four days should be considered as a reasonable time to devote to obtaining this answer before we and indeed other countries are expected to vote money.

That is not to ignore the problem and the fact that the canal is closed; that is merely to say that we are going to act expeditiously

and tell Mr. Nasser that we are prepared to vote this money, along with the other nations concerned, but before we do so we are entitled to have a clear statement of his intention.

Mr. Harris: I asume that in his negotiations with the Egyptian government, which the secretary general undertook four or five weeks ago, and no doubt in the continuing negotiations which are going on probably every day this question has arisen. However, I do suggest to my hon. friend, who is rather an expert in negotiating on occasion, that one thing you must avoid is having someone at a time when his position may appear to him to be strong or when his feelings are running strong take a position from which he cannot recede at a later time. I should say that that is the first step in diplomacy. If we were to demand an answer from Nasser, an answer involving certain courses of action to be taken, it would seem to me that we might not get very far in achieving a final result.

Mr. Cameron (Nanaimo): Can the minister tell us if he knows of any more profitable use to which Mr. Nasser could put the canal than to let ships through? Would he perhaps find it more profitable to grow water lilies in it or to conduct general hydrophonics?

Mr. Macdonnell: While it is true of course that the "Eisenhower doctrine" is quite apart from the United Nations, nevertheless I should like to ask the minister whether under the pressure which he has pointed out as having to be relied on in dealing with this strange man Nasser he considers that there might not be pressure exerted, either directly or indirectly, through the Eisenhower doctrine to the end that this man will show some common sense?

There are two aspects to the Eisenhower doctrine, one economic and the other military. I repeat what I said at the outset. While the minister may say it is irrelevant, looking at it in the broad, personally it does not seem to me to be irrelevant and I should like to know what the minister thinks.

Mr. Harris: I am quite sure that the United States government are as anxious as we are to come to the time in the spring when this work will have been completed and some continuing arrangement made, if not on a permanent at least on a temporary basis, which would permit the free use of the canal pending the outcome of whatever negotiations and discussions are then going on to achieve a permanent political settlement. I think the United States government was the first to say that it would contribute to this fund we are talking about now because despite the advantages there may be to the Texas oil producers they feel that in the long run and the immediate run there are advantages to the world as a whole in clearing the canal so that oil and many other commodities as well may pass through for western Europe.

I would not want to comment on the recent Eisenhower declaration about Middle East policy because, as I say, that gets into the larger sphere and is included in the larger attitude of restoring and maintaining peace in the Middle East. I would be quite satisfied that the United States administration and the Canadian administration were as one as to the desirability of a final settlement that the canal would be free to the use of all people without restrictions.

Mr. Macdonnell: Can the minister answer this question on which I am not as well informed as I should be. Is there an indication that the economic aspect of the Eisenhower plan will in the immediate future take as one of its forms a readiness to help in the economic situation? I have been glad to observe recently that some of the oil-producing countries have begun to squawk because they are losing their means of livelihood. I have been wondering for months why the oil-producing countries, some of which live almost entirely on oil, have said so little about the fact that their business was being so greatly hampered and their losses were so great.

I realize that you are dealing with an extraordinary creature in the person of Nasser. I realize that you have to consider the pros and cons and weigh the considerations which might be conclusive to those of us who like to think we are full of common sense but which may not be so compelling in his case. If it is reasonable to believe that Egypt at the present moment is beginning to learn the economic facts of life and that one thing she will have to rely on is assistance from the United States, then it would seem to me reasonable to believe that the Eisenhower doctrine might operate very powerfully.

Mr. Harris: I think it would be unwise to make anything but general comments about political and economic doctrines which are under debate in the United States congress. I join with my hon. friend in the hope that that doctrine and its application, either in the political or economic stage, will be such that it will act, immediately or as soon as possible, with greater pressure to solve the problem now before us. Anything that can help to do that would return dividends, not only in money but in peace for a great many years.

Mr. Blackmore: I know the minister is speaking extemporaneously and is probably not able to choose his words, but I was not very well pleased with his use of the words "levy" and "assessment". It seems to me that it would be wise for the minister to use "assignment" or "allotment". I do not want the idea to get into *Hansard* that we take the attitude that any group on earth can levy on us or assess us.

Mr. Harris: I hasten to agree 100 per cent.

Mr. Hahn: Supplementary to the question I asked a few minutes ago: If I interpret the minister's remarks properly they would indicate that we will be allotted—I am using the word suggested by the hon. member for Lethbridge—a certain sum to be charged the different countries. I am wondering whether all the members of the United Nations have agreed to the plan that they should be allotted a certain figure at this time.

Mr. Harris: No, Mr. Chairman, the resolution has not been debated yet and the attitudes have not been made known.

Mr. Green: Has Egypt been asked to pay anything towards the cost of opening the canal? I have not been able to find any reference in the press that such a request has been made. Perhaps the Minister of Finance can give us that information.

Mr. Harris: No, no one has been asked to pay anything. The only ones who have been asked have been those countries who have been asked to make these temporary advances. The whole question of paying for the costs has yet to be discussed at the United Nations.

Mr. Green: Does the minister mean to say that neither Mr. Hammarskjold nor anybody else has even suggested to Egypt that she should pay one cent for clearing the canal although all the damage was done by Egypt? Is that the ridiculous situation in which we are put?

Mr. Harris: My hon. friend is very apt at reducing a situation to simple words which do not quite tell the story. It is true that Nasser has not been asked to pay but it is equally true that no one else has been asked to pay, so I agree with his statement put in that form.

Mr. Green: The Canadian taxpayer has been asked to pay $1 million. That is what he is being asked this morning. I should like to know why it is that the Canadian taxpayer is paying $1 million and 10 or 15 times as many American taxpayers are being asked to pay only $5 million. Why is it that Canada has to pay a so much larger proportion than the United States?

[Mr. Harris.]

Mr. Harris: I went over that on Tuesday and I went over it on Wednesday.

Mr. Green: No, you did not.

Mr. Harris: Oh yes. The answer is perfectly simple. First of all, there were a few countries which had dollar assets and for a modest sum of this kind—I use that expression in connection with the total budget—

Mr. Hodgson: What's a million?

Mr. Harris: —and not in connection with the amount involved—they had the exchange available. After consideration of the problem the secretary general decided that he should ask certain countries if they could help immediately by way of advancing a fund of $10 million. At that time the United States offered $5 million which, as I recall it, is more percentagewise than their annual contribution towards the cost of the United Nations. Therefore, taking that yardstick, they offered more than they would otherwise have had to contribute.

When it came to our case we were quite conscious, as I said on Tuesday and Wednesday, that a contribution of one dollar in ten to an interim advance was a greater percentage than we would normally be expected to contribute to any United Nations fund. Our contribution is somewhere below 5 per cent. But because of the fact that we have the dollars, because of the fact that we are a country whose motives are not suspect in any sense of the word in this controversy and because we were in the position that parliament was meeting shortly after it was decided that this would be the best method of interim financing, it was thought that we would have the money available reasonably soon if parliament saw fit to vote it. For that reason we decided after careful consideration on the amount of $1 million knowing nonetheless that it represented a greater portion of the total and a greater proportion with respect to the United States contribution but expecting that the loan will be repaid or, alternatively, that if we are asked later on to make a contribution towards this cost and do so we will be able to recoup the $1 million or a large part of it.

Mr. Green: It looks suspiciously like another case of "what's a million".

Mr. Harris: I did not say that.

Mr. Green: Perhaps the Minister of Finance can tell us what arrangements, if any, have been made about the payment of tolls for the use of the canal once it is cleared. Are those tolls to be paid to Nasser, to the canal company, to the United Nations or to someone else? What is to be done?

Mr. Harris: Well—

Mr. Green: I am not through with my question. Are any negotiations under way at all with regard to the question of the payment of tolls? Is any of the money from tolls to be used to repay the cost of clearing the canal?

Mr. Harris: There are no negotiations publicly at the moment. There are a good many discussions going on at the United Nations as to the outcome of the use of the canal. One method suggested for repaying this money is to increase the tolls and make a charge of some kind on the tolls which would be collected and remitted to the United Nations in repayment of this sum of money. But, as I have indicated this morning, there has been no decision made because the whole question of financing has not yet been discussed by the United Nations.

Mr. Green: What about my question as to the authority to which the tolls are to be paid? Has that been decided?

Mr. Harris: That has not been decided. It will be decided along with the other questions when the United Nations comes to the resolution as to what will be done when the canal is cleared and made available for shipping.

Mr. Hahn: It seems to me that the minister has certainly given us every assurance that our representatives at the United Nations will try to establish that we do get the money repaid. It also seems to me that the greatest beneficiary from the use of the canal is the United Kingdom. Having felt as we have in the past about this whole conflict, I would say that under the circumstances it is very desirable that we see to it that the $1 million is voted very shortly.

Mr. Macdonnell: I want to know if I understood the minister correctly a few minutes ago when I thought he said that in paying over the money we would indicate that it was being done on the condition that the canal must be free for all. Did I understand the minister correctly?

Mr. Harris: No. I answered that in a different form the other day when replying to the hon. member for Winnipeg North. I said we could not impose sanctions on the use of the $1 million. Once we give it to the secretary general it will be for the purpose of clearing the canal. We are going to do that but I said at the same time that we would accompany the cheque with a restatement of our support for the resolution of the United Nations calling upon the powers concerned to make the canal free and that we would continue to insist in negotiations at the United Nations that that be the ultimate outcome of the negotiations.

Mr. Quelch: Can the minister say whether or not Russia has stated that she will not pay any part of the cost of clearing the canal? I did see where she had stated that in her opinion Britain and France should pay the whole cost. I believe she has also stated she will not pay any part.

Mr. Harris: That was a statement attributed to one of the representatives of Russia at the United Nations but in connection with a debate which has not yet arisen there, and one is hopeful that there may be a change, although I am not going to suggest that there will be.

Mr. Green: What consideration has been given to the suggestion that it is possible to construct another canal not on Egyptian territory? I am not in a position to know whether or not such a course is feasible but we have seen reports to that effect. If no one is going to put this man Nasser in his place it might be a good idea for investigations to be made as to the possibility of an alternative canal. It does seem to me that action along that line is much more likely to get reasonable action out of Nasser than for the freedom-loving nations like Canada to go on hoping that Nasser is going to be fair.

That is all we are doing today. I realize that the minister cannot take any other stand. He cannot say anything else because it is perfectly obvious that that is what Canada is doing as well as the United States, namely just hoping that Nasser is going to do what they want him to do. Would it not strengthen our hand a great deal if at least real steps were taken to find out whether or not it is possible to construct an alternative canal? Certainly if that can be done, Mr. Nasser and his Suez canal will be high and dry and we probably would not have much more trouble from him. Just what is the picture with regard to that possibility?

Mr. Harris: The original canal, of course, was a private venture backed by certain governments for the purpose of profit, and I am satisfied that in the intervening years it has become quite profitable. This would only mean that there would be a possibility of competition from others who would feel that they might make a profit too. It seems to me that this is a case where these matters would probably be present in the mind of Colonel Nasser. But in any event I think that every possible alternative to future trouble over the canal ought to be explored. If any one were in a position seriously to advocate a canal in another position or an alternative method of transportation such as

the Israelis are attempting and are carrying out with some success, I am told, that would be one more economic reason why, in the course of these negotiations, we might come out with a reasonably good settlement.

Mr. Hodgson: After listening to this debate for two full days now or nearly that much, the muddied water so far as I am personally concerned is becoming clearer every minute, and I am becoming more in favour of passing this vote and granting this money to the United Nations. I want to make myself clear on this position. At the time that Great Britain and France went into this canal zone, there is no doubt at all in my mind that the United States let them down for political expediency and that at that particular time our Canadian representative played no small part in letting them down. They sold Mr. Eden down the river. There is no doubt about that. For that mistake which we made, if for no other reason, we should pay the piper. This is one way of paying him. We should pay this amount whether we get the money back or whether we do not. I have not much faith in ever getting it back. These loans or investments or whatever you call them made in this sort of way are generally give-away programs. But if we made a mistake—and there is no doubt that our officials did so at that time—let us pay the piper.

The Chairman: Shall the resolution carry?

Item agreed to.

Resolution reported and concurred in.

Mr. Deputy Speaker: The committee also asks leave to sit again. When shall it have leave to next sit again? Later this day or next sitting?

Mr. Harris: Later this day.

WAYS AND MEANS

The house in committee of ways and means, Mr. Robinson (Simcoe East) in the chair.

Hon. W. E. Harris (Minister of Finance) moved:

Resolved, that towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1957, the sum of $23,270,000 be granted out of the consolidated revenue fund of Canada.

Motion agreed to.

Resolution reported and concurred in.

Mr. Harris thereupon moved for leave to introduce Bill No. 25, for granting to Her Majesty certain sums of money for the public service of the financial year ending March 31, 1957.

[Mr. Harris.]

Motion agreed to and bill read the first time.

Mr. Deputy Speaker: By leave shall this bill be read the second time now?

Mr. Knowles: I rise on a point of order, Mr. Speaker. Since this is a money bill, should there not be two cabinet ministers in the house, one to make the motion and the other to second it?

Mr. Harris: On the point of order, Mr. Speaker, may I say no.

Mr. Knowles: Mr. Speaker, I asked for your ruling, not that of the minister. This is a money bill. Surely it cannot be either moved or seconded by a member who is not a member of the cabinet.

Mr. Deputy Speaker: I do not believe what is suggested by the hon. member is necessary. As long as the minister is here to sponsor his bill, I believe it may be seconded by any hon. member who is in his place.

Mr. Green: There are two parliamentary assistants here. Perhaps they would do for one minister.

Mr. Harris moved the second reading of the bill.

Mr. Deputy Speaker: By leave shall this bill be read the second time now?

Motion agreed to and bill read the second time, considered in committee and reported.

Mr. Harris moved the third reading of the bill.

Mr. Deputy Speaker: Shall this bill be read the third time now?

Mr. Knowles: Only by leave.

Mr. Deputy Speaker: By leave.

Motion agreed to and bill read the third time and passed.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

CANADIAN WHEAT BOARD ACT

AMENDMENT TO EXTEND EXPIRY DATE

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved the second reading of Bill No. 9, to amend the Canadian Wheat Board Act.

He said: The purpose of Bill No. 9 is to extend for another five years certain vital sections of the Canadian Wheat Board Act which expire at the end of this crop year, that is on July 31 next. These sections have the effect of maintaining the wheat board as the sole marketing agency for western wheat, oats and barley.

The Canadian wheat board is in its 14th year of operation as the sole agency for the marketing of wheat produced in western Canada. During that time it has encountered nearly every conceivable combination of production and international trading conditions. There have been rusted, wet and frozen crops; there have been large and small crops; there have been periods of shortage when special measures were necessary to allocate supplies; more recently there have been unprecedentedly large crops at a time of intense international competition.

The board has met and dealt with these problems and today has more widespread support amongst producers and producers' organizations than ever before. This widespread support is, I think the house will agree, a tribute to the soundness of the present wheat board system of marketing and to the devoted and skilful work of the members of the board, in particular of course the work of George McIvor, who has been a member of the board almost since its inception and who has been its chief commissioner since 1937.

The producers of western Canada understand thoroughly what the board is and how it operates today. That is why they give it such wholehearted support. I regret to say that there is less understanding in certain other quarters, and if the house will bear with me I should like to give a brief review of the origins and purposes of the present system of marketing.

The present system of wheat board marketing is an outgrowth of the pooling system which got under way in the early 1920's. All members from the prairies are familiar with the establishment of the Manitoba, Saskatchewan and Alberta wheat pools. The basic idea was that members of the pools should deliver their grain to the pool and receive an initial price at the time of delivery, and the balance of the sales price, less expenses, when all grain had been sold. A central selling agency was established to co-ordinate the selling activities of the three provincial pools. The pools operated on this basis throughout the 1920's with considerable success and without any intervention or help from governments. Unfortunately, however, they became victims of the great depression. Although the initial prices for deliveries from the huge 1928 wheat crop, and deliveries from the 1929 crop, had been fixed at what seemed reasonably conservative levels, the market collapse of the early 1930's prevented them from realizing enough from sales to cover these initial advances, plus expenses. The provincial governments first came to the rescue by guaranteeing the advances made by the chartered banks. So great was the debacle, however, that in the fall of 1930 the federal government had to provide additional guarantees to the banks.

At the same time, the government of Canada appointed John I. McFarland as manager of the pools' central selling agency. Mr. McFarland was instructed to stabilize the market, and this he did by buying both cash grain and futures on the open market for government account. Between November 30, 1930 and December 2, 1935, the central selling agency, which became divorced from the wheat pools and became instead the stabilization agency for the Canadian government, increased its holdings of wheat from 37 million bushels to 205 million bushels. Meanwhile the provincial pools operated on a small scale. This was the situation when the Canadian wheat board came into existence in 1935. It took over the wheat accumulated during the stabilization operations of the previous five years, and it stood ready to take wheat from producers at an initial price, and to return the proceeds of sale, less expenses, to the producers.

Hon. members will note that the Canadian wheat board at this stage was not the sole marketing agency for wheat. It stood ready to take delivery from producers, at a stated initial price, but producers could, if they wished, sell on the open market. In other words, it was at this time a board operating a voluntary pool. And so it continued to be until September 1943. While on the voluntary basis, the activities of the board fluctuated widely and rapidly. When the open market was above the initial prices, producers delivered relatively small quantities to the board. When the open market was below the initial price, producers delivered practically all their wheat to the board. From the point of view of a successful marketing operation by the board, this was a most unsatisfactory position. In a sense it was a sort of "heads I win, tails you lose" proposition. And as events were to prove, the producers themselves preferred a different system.

During the period of the voluntary pool the wheat board suffered one major loss arising out of the marketing of the 1938 crop, amounting to over $60 million. There were one or two other minor losses, but with these exceptions the boards not only sold at high enough prices to cover its initial advances and expenses, but also to make a further payment

to producers who had delivered wheat to the board. In September 1943 the wheat board became the sole marketing agency for wheat produced in the prairie region. Acting under authority of the War Measures Act, the government discontinued trading in wheat futures at Winnipeg. Special arrangements were made for the sale of wheat under mutual aid, and to meet the requirements of subsidized domestic purchasers. And the initial price was raised from 90 cents to $1.25.

This was the turning point in the recent history of wheat board operations. In September 1943 the present system, which enjoys such widespread support, came into effect. At the end of the war, of course, it was necessary for parliament, by the enactment of the Canadian Wheat Board Act, to put the system on a peacetime basis rather than on the basis of the War Measures Act, but otherwise the essentials were preserved. It is worthy of note that, since the board became the sole marketing agency, it has always been fully solvent and has always been able to make payments to its producers in addition to the initial payment. So popular did the present system prove to be that strong representations were made to extend it to oats and barley, which was done, effective as from August 1, 1949. Because of the constitutional position applying to grains like oats and barley, which are very largely consumed within the province of their production, the government insisted upon provincial legislation in each of the three prairie provinces to support the wheat board as the sole marketing agency.

That is the history. Now let me describe the system as it operates today. In effect, the wheat board operates a pool for the benefit of all producers, with the advantage of government support in its financing. The government, on recommendation of the board, fixes initial prices for deliveries during the crop year at what appear to be reasonable levels, taking into account prospects of sale. The board pays the producer initial advances on grain delivered to the pool by borrowing money from the banks, under government guarantee. The board sells the wheat and, after paying all expenses, returns the proceeds of sale to the producer in the form of further payments.

The board is a producers' board and even the salaries of board members are paid by the producers. The money involved is wholly money belonging to the producers, even though the board's bank borrowings are guaranteed by the government.

The board is strictly a marketing organization. It has no other functions whatever. Its aim is to market as much grain as possible, at as high prices as possible, to keep its expense to a minimum, and to provide as high a degree of equity in delivery opportunities amongst producers as can be achieved within the limits of its overriding duty of selling grain.

In my opinion, the board has done a magnificent job in carrying out these functions and in attaining these objectives. And the secret of its success lies in the fact that it has not allowed its energies to be diverted in other directions.

That is the main reason why, on every and all occasions, the board, strongly supported by the government, has resisted efforts to put the board into the money-lending business by making advances to producers against grain stored on farms. That is not the business of the wheat board and should not be its business. To put the wheat board into the business of making farm advances is the surest way I know of playing into the hands of those who would like to wreck the board as an effective marketing agency for the producer.

Hon. members may wonder why I have tried to explain in detail the nature of the wheat board and the manner in which it functions. Those hon. members who represent prairie constituencies and many other hon. members require no such detailed explanation. Strangely enough, many people living in other parts of Canada who write and talk about the marketing of wheat obviously do not understand the detail of present methods of marketing Canadian wheat. It is to them that my explanation is directed.

A case in point is the Gordon commission which, after an extensive investigation, has produced a preliminary report that is obviously based on incorrect understanding of present marketing methods. In paragraph 5 of the section on wheat the following section appears:

> Under the present system the Canadian wheat board announces shortly before the harvest each year the initial or minimum prices which will be paid for the crop which is about to be harvested. These minimum prices, which vary depending upon the grade, apply to the full amount of the crop . . .

That statement, of course, is a complete misconception. The government authorizes the board to fix an initial price for such wheat as may be delivered to the board within the next crop year, and guarantees the banks against loss through payment of the initial price, but the government does not guarantee payment to the farmer of any price for wheat which is not actually delivered to the board within the crop year.

It will be obvious to the hon. members from the prairies that the board cannot

possibly form an accurate estimate of the amount of grain which can be delivered to the board in any future crop year. Conditions in the export market change from month to month to an extent that can greatly change export prospects for better or for worse.

No reasonable man would ask the board to undertake the quite impossible task of fixing delivery quotas for individual producers on the basis of past records of acreage and yield. As a matter of fact, there are no available records which would be of any help to the board for such a purpose. Furthermore, it is the farmers' money that the Gordon commission would pay out on the basis of such an export forecast and on delivery quotas for individual producers fixed as recommended by the Gordon commission. Before taking any steps toward implementing the recommendations of the Gordon commission, the government would require almost unanimous support from the producers' marketing organizations. I feel sure that that support will not be forthcoming.

If any hon. member wishes to be recorded in support of the recommendations of the Gordon commission I hope that he will rise in his place and state his position clearly and unequivocally.

The underlying theme of the Gordon report on wheat is "restriction". The report returns time and again to the theme that the producer must be confronted with a limitation under which he will make whatever adjustments he can. This conception is directly opposed to the present government policy, which is to establish fair initial prices, provide the largest possible delivery opportunity for producers and to assist by paying carrying charges on abnormal surplus stocks of wheat until markets can be found.

The Gordon commission recommendations appear to be based upon the assumption that there is likely to be a continuing surplus problem. I do not share that view and I think it would be a great mistake to base our policies on such an assumption.

I have said many times, and I say it again, that the only reason that any substantial surplus of wheat remained on farms at the end of the last crop year, and is likely to remain on farms at the end of the current crop year, is the remarkable series of bumper crops. Had crops been average, or even moderately above average, in recent years not a bushel of grain would be on farms today other than grain that the farmer himself preferred to hold. But crops have not been just above average but of unprecedented proportions in recent years.

In fact, farmers have marketed very large quantities of grain every year. Our exports on the whole have been at satisfactory levels. Last crop year, for example, they were well above all except a very few preceding years and domestic consumption is now, of course, more substantial than it has even been. This crop year our exports are considerably higher to date than they were in the same period during the last crop year.

The outlook is not gloomy. The wheat board has a difficult task but it has demonstrated that it knows how to handle its task. It will at all times receive the full support of the government.

I have no hesitation in recommending an extension of the present system of wheat board marketing for a period of five years.

Mr. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, the review by the Minister of Trade and Commerce of wheat board transactions today was, in my opinion, quite incomplete. Apparently, however, the purpose of the speech the minister made was to scuttle the recommendations of the Gordon commission in their entirety, a commission set up by the government, a commission that spent a fabulous amount of money reviewing the economic future of Canada, a commission that, in so far as the wheat policy recommendations are concerned, has received from the Minister of Trade and Commerce one of the most scathing denunciations that paternity ever gave to progeny.

Sir, as to many of the recommendations there will be strong disagreement, but to refer to the recommendations of the commission in support of cash advances in such critical terms as were used by the minister this afternoon is to pay no heed to the demands of western farmers today on behalf of cash advances. The events of the last few months have added emphasis to the demand of last year that there should be incorporated in this act a permanent provision for cash advances in order to assure western farmers of a reasonable opportunity to meet their initial costs and expenditures. The minister says that anyone who would advocate that policy would be a participant in contributing to the destruction of the board. Well, Mr. Speaker, if that be so then the western farm organizations and the pools themselves must be in that category. Certainly farmers in general who support the wheat board marketing system are almost universally in support of incorporating a provision for cash advances in the act which I believe is necessary having regard to the uncertainty of marketing and storage difficulties.

When that course was advocated last year the Minister of Trade and Commerce (Mr. Howe) said that he had communicated with the members of the wheat board and they had given him to understand that if a system of cash advances was brought into effect they would resign. I asked for the production of the correspondence to that effect and also a summary of the conversations which allegedly had taken place. The answer given in reply to that request was that there were no records and there was no correspondence. I say again that commencing this afternoon, there should be incorporated a system of cash advances in order to make this legislation more effective. In so far as the general purpose of the bill is concerned, in order to provide for the extension of the life of the wheat board for five years, we in the official opposition intend to give it our support. We have been in favour of the wheat board operating all through the years in order to secure and assure for the farmer the largest possible return, but unfortunately my hon. friends in this government did not always hold the same high opinion of the wheat board that they avow today.

The hon. gentleman reviewed some of the wheat board's transactions and having done that I may be pardoned for also filling in, in what he called a review of the origins and purposes of the wheat board, certain things to which he did not make reference. I think it is appropriate to review the history of this board since 1935. It was in 1935 that the late R. B. Bennett, the then prime minister, introduced the Wheat Board Act in the House of Commons. It was his desire and purpose that it should be a compulsory board much in keeping with the present situation in so far as the compulsory features are concerned. However, the Liberal opposition of that day opposed him and on July 1, 1935 after a series of discussions between members of the government and the opposition it was finally agreed that the only way in which the legislation could find itself on the statute books would be by having the voluntary feature incorporated and not the compulsory feature.

Mr. Howe (Port Arthur): May I ask my hon. friend a question. What was the Conservative majority in this House of Commons at that time?

Mr. Diefenbaker: Oh, the minister now asks what was the Conservative majority in the House of Commons at that time. Let me say this. On July 1 that year it had been indicated that within three or four days dissolution was to take place. Dissolution was requested over and over again by Mr. Mackenzie King. Members of the Liberal party, and in particular the late J. L. Ralston representing that party, promised to continue to fight on and on regardless of the time that was consumed in order to prevent that board being made a compulsory board. This occurred before my right hon. friend invented the system of applying closure even before discussion took place. That was the reason we had a voluntary board.

Mr. Howe (Port Arthur): My hon. friend has not answered my question.

Mr. Diefenbaker: I did not interrupt my right hon. friend when he was speaking and presenting a one-sided discussion and I would ask him now to contain himself in silence.

Mr. Howe (Port Arthur): He does not know the answer.

Mr. Diefenbaker: The board was set up on a voluntary basis and the floor price was to be 87½ cents. In the fall of 1935 the Liberal party took over and that floor price of 87½ cents stood for the crop year 1935-36. In the crop year 1936-37 the Liberal government decided to scuttle the wheat board. They left the price at 87½ cents but provision was made that the board could not take wheat as long as the open market price was above 90 cents. There were two short crops both in Canada and in the outside world so that the price for two years remained above this figure and the board handled no wheat. In the crop year 1938-39 we had in Canada as much surplus wheat as the whole importing world was estimated to take. The government was prevailed upon by western farmers to take action and they did. The government fixed the board price at 80 cents but the then prime minister and the then minister of trade and commerce, Mr. Euler, stated that in spite of the floor price Canadian wheat would be offered at all times at the going price. This was the first example of colossal dumping of wheat in the wheat trading world. The result was that in a few days the open market dropped to 80 cents and the loss was $38 million, to use the figure which was used a few moments ago by the minister himself. In 1939, the government having come to the conclusion that it had had enough of price fixing, amended the Wheat Board Act so as to provide for a 70 cent initial payment.

Soon after the war a price ceiling was brought into being. The open market being continually higher than the government price, surpluses were mounting and when the allies entered Europe the situation eased and the government made increases in the price until it reached 90 cents, still below the open market. My right hon. friend who today claims to be the avowed friend of the wheat

board did not bring it into effective operation until September 1943 when in point of fact its purpose was to keep down prices and to maintain a ceiling on the price that the farmer could secure for his wheat. Following the war the government made an agreement with the United Kingdom which was one of the worst commercial agreements ever made in the free world. My hon. friend says that the wheat board should be allowed to operate in order to secure the highest possible return for the farmer, and with that I agree; but an agreement was entered into with Britain forcing the wheat board to sell and fill the amount of that contract whose terms brought to the western farmer between 50 and 80 cents less than would have been available through the wheat board had it been allowed to sell the farmers' wheat at the best price. At no time did we take any objection to assisting Great Britain. We said it was perfectly proper that Great Britain should be assisted because of the economic sacrifices she was making and because of her economic condition. But we said that that assistance should be at the expense of all the people of Canada and should not be saddled on the western farmer. However, the agreement was entered into and as a result the western farmer found that his wheat was being sold with an ultimate loss to him of several hundred millions of dollars.

Over and over again my hon. friend said that there was no loss because there was no world price. You will remember that in 1951, after having avowed over and over again that there was no loss, legislation was introduced in this house to provide for the payment of $65 million to the western farmer for a loss which the government had always contended was not in fact a loss.

I could be no more in agreement with the right hon. gentleman when he says that the wheat board should have as its purpose the securing of the best possible price for the western farmer, but in connection with the British wheat agreements the wheat board did not operate for the benefit of the western farmer. It operated under the dictation and domination of this government to the detriment of the western farmer.

If political consideration did not dictate what was done in 1949, it is difficult to understand just why a certain action was taken. In order to make an advance or interim payment just before the election of that year the wheat board found it necessary to borrow a large sum of money upon which the farmers subsequently had to pay interest in order to provide for an advance to the farmers just before the election in an effort to delude the farmer into believing there was money to his credit in the wheat board books when the fact was that at that time there was no money available for such purpose.

What about the election of 1953? For about 14 months the farmers had found it impossible to market their wheat because storage facilities were filled up. What happened just before the election in 1953? Suddenly without any warning facilities were opened up, storage facilities became vacant and farmers all over western Canada found that no matter what wheat they had to market they could market it. That continued for several weeks but it ended four days after the election when it was found that no more wheat could be taken. I do hope that the wheat board is not to be used again with an election pending as an instrument of the government to carry out its policies in that regard.

We have a tremendous surplus on hand at the present time. As of January 9 the surplus was 357,636,000 bushels, only seven million bushels down from the year before. The minister has stated that we have had very large marketings during the last year. Canada has lost to the United States her position as the major exporter of wheat. While there has been an increase in foreign marketings of Canadian wheat there has been a materially greater increase on the part of the United States. The result is that today the United States is in the position where all over the world it is engaging in the practice of fire selling and underselling its wheat and other agricultural products by means which constitute an invasion and infraction of the general agreement on tariffs and trade. It is interesting to note that the minister said nothing in that regard.

It is a very serious problem. The United States government is acting in a way which is detrimental to the unity of the free world and to the preservation of the Canadian agricultural machine. No one objects to fair competition, but it is not fair competition. It is an invasion of the undertaking of the United States when that country goes all over the world and virtually gives wheat and other agricultural products away, either by giving interminable lengths of time for repayment when selling on credit or by selling for currencies which cannot be used except within the countries to which they belong and only in connection with economic assistance being given by the United States.

This is not a new problem. On November 5, 1955, the Minister of Trade and Commerce spoke to the Saskatchewan wheat pool in Regina as follows:

> Let me outline, how, in fact, the United States does attempt to dispose of its wheat on world markets. First, it pays a straight subsidy on all exports, in order to bridge the difference between

prices in the United States and world prices. This subsidy varies from time to time, depending upon prices at home and prices abroad. Secondly, the United States sells wheat for payment in the currency of the buyer. The proceeds of sale are usually left in the buying country, either to be used by the purchasing government for some purpose approved by the United States government, or in some cases to be converted into dollars several years hence. At the present time, for example, a deal is being worked out with Brazil for a 40-year credit payable in Brazilian currency. I do not think it is unfair to say that in most cases the United States will receive in payment only a small fraction of the selling price. In other words, this is a form of foreign aid, rather than a method of sale.

Thirdly, the United States attempts to trade its wheat against strategic materials. I do not think it is unfair to say, from the evidence available, that the emphasis is more on disposing of wheat than on securing supplies of strategic materials. Fourthly, the United States offers wheat without payment to countries which are in dire need, because of some calamity. In principle, of course, there can be no objection to such gifts, provided that they are not used to destroy commercial markets, which would otherwise have been available.

Then the minister continued:

As I said, I do not think that the United States intends to harm Canada by any of its policies.

Those are sweet words from one usually given to strong expression.

Yet there can be no doubt that, whatever the intention, the methods used by the United States to dispose of its wheat surpluses have been harmful, not only to Canada, but to the wheat situation in general.

And again:

When the members of the United States cabinet were in Ottawa in September—

That was September 1955.

—to meet members of the Canadian cabinet, I put the Canadian point of view before our American friends more strongly than ever before.

Well they did not listen even then. What did he say, what were the strong words that were used? The government of this country has been blaming the United States for the loss of markets, and the wheat board has been doing the same. Mr. McIvor, chairman of the wheat board, said on July 4, 1956, that United States policy was the main reason for loss of wheat markets by Canada. He said markets were lost for reasons beyond our control. He then went on to say that they were lost because the United States was engaging in a system that was not justifiable.

Well, Mr. Speaker, they did not find out how serious it was until October, 1956. They always contended that the Americans were acting in an injudicious way but that what they were doing might be justified. It was only in October, 1956, that they found out. We have these wheat merchants and trade commissioners all over the world and yet they did not find out until then or a few weeks before that the United States was engaged in a most improper practice whereby in the disposal of farm produce the nation that received the benefit of these give-away terms or reduced prices undertook to buy future requirements from the United States. In other words, these gifts, these fire sales, in effect carried with them a gobbling up of wheat markets in the future which no one can justify under the terms of the agreement on tariffs and trade.

Mr. Victor Mackie, writing in the Winnipeg *Free Press*, had this to say on October 8, 1956:

Only this summer Canadian officials began to become aware of the important part this provision in the American surplus disposal program was playing in United States disposal of its produce. One report published in a Toronto financial paper in a Washington dispatch states that it was not until the Canadian-U.S. meeting of officials in Winnipeg August 28 that the Canadian government discovered the "tied" sales, which had been standard U.S. operating procedure in its disposal program.

It had continued for several years. The article goes on to say that Canada's government has moved in the diplomatic field to put a stop to the tied deals for the future and has sent a formal note of protest.

Where were they, Mr. Speaker, during the two years? Why did they not find this out? We were losing important markets. The United States was concealing nothing. It gave away wheat and other agricultural products either at lower prices or almost as a gift but always tied to the undertaking on the part of the receiving country that that country would continue to purchase further wheat or other agricultural products. I could quote from various editorials in other western newspapers. The Winnipeg *Free Press*, the Regina *Leader-Post*, the Saskatoon *Star-Phoenix* and other newspapers that support the government found it difficult to understand why the government was blind for two long years as to what was going on while we were losing our markets.

To say we have increased our exports of wheat does not meet the question at all. We have increased our exports and so have other countries. The United States has increased its exports the greatest of all and has taken over our place and forced us into a secondary position in this regard. We tried to find out what the government had done. The Minister of Trade and Commerce (Mr. Howe) said that he had spoken in strong terms to them. What was said? Whatever was said has not brought about any change. Why can parliament not find out? On the 24th of January, as found at page 589 of *Hansard*, I asked the Minister of Trade and Commerce what

had been done, what was the nature of the protest, and in reply he said:

The two governments have appointed a continuing committee of senior civil servants of both governments to deal with these matters. The committee meets from time to time. I think the last meeting was some two or three weeks ago. Protests are filed through that committee, and sometimes remedial action is taken.

There has been no remedial action in connection with wheat that can be seen by any eyes anywhere in the world. He goes to say:

Protests, I may say, are sometimes filed in both directions. In any event we find that committee has been useful as a means of conveying our protests, and has had some effect in discouraging certain policies to which we in Canada take strong objection. There is nothing to table. We do not file our protests in writing; we file them through the committee.

Then I asked the minister whether he would tell us what had been done and what was the nature of the protest, and this was his answer:

Mr. Speaker, to discuss in parliament the subject matters that are dealt with by the committee would be to destroy the usefulness of the committee.

I would have destroyed the effectiveness of the alleged objections being raised. That, Mr. Speaker, is what it would have done. Parliament? Why tell parliament anything? They are talking the thing over in such strong words that parliament dare not hear them.The minister goes on to say:

I do not know that it is particularly in the public interest to discuss the kind of transactions we object to. Certain transactions we do object to; but to single them out and discuss them on the floor of the house would, as I say, seriously prejudice the future of the continuing committee.

In other words, parliament which set up the wheat board, parliament which is interrested in the trade of this country, parliament which desires to know what is being done in order to prevent the loss of markets by improper procedures on the part of the United States, is to be denied information. Finally, Mr. Speaker, after I had raised that point and said how unfair it was the Prime Minister (Mr. St. Laurent) said:

If the hon. gentleman reads what was being talked about before he rose and reads his own remarks, he will find how inappropriate they are to what has been the subject of discussion.

My remarks were these:

. . . does the Prime Minister not believe that parliament has a right to hear?

Is there anything inappropriate in that?

Is everything to be hidden under the new policy or the continuation of the old one that is being followed . . . by the government of concealing all information that it does not want parliament or the people to have?

Sir, we have lost these markets for the future. We have lost them because the United States has adopted a policy of tying in future deliveries and promises of future deliveries with the present-day give-away and fire sale policy. Surely parliament is entitled to ascertain how strong these protests are or whether in this regard Canada's economic future in agriculture is to be sacrificed to the desire of the government to conceal the pusillanimity of its protests. Are they afraid to speak out? The United States is not. We are joined together. We supply the United States with a major portion of its needs to forge the shield of freedom. We are a have country and they are becoming a have-not country.

Surely a protest should be made to the government of the United States that could be heard, not one of these listless, silent protests that are conveyed through a group of civil servants, senior though they may be, whose protests dare not come to the light of day through parliament which created the wheat board. The Canadian people are denied information on a matter upon which they are entitled to information.

We say, sir, that in the last several years the Department of Trade and Commerce has not exercised that degree of diligence in the securing of markets that it should have. We are treated regularly to optimistic statements, and while Canada's parliament receives optimistic statements the United States of America gobbles up future wheat markets and denies us in Canada any opportunity in the future to deal competitively with the United States of America.

I come now to one other matter, the general position of the farmer, particularly with regard to agricultural prices, and the difficulty the farmer finds himself in today by reason of the fact that he is caught in a squeeze between falling farm prices and rising costs. This was dealt with during the last few days by the president of the Saskatchewan wheat pool. I refer to an editorial in the *Western Producer,* summarizing the situation, on January 17. Mr. Wesson was dealing with the export of Canadian wheat and flour, and he said this:

The improvement in exports was reflected during part of the year in good delivery opportunities at country elevators throughout the west.

Then I leave out a few lines, not that they are not material, and continue:

These additional marketings last year have given farmers a higher cash income for 1956 than they enjoyed in 1955.

That is a higher cash income. In fact they are receiving year by year a lower net income. Then he goes on to say this:

But even on the basis of these good sales many farmers did not break even on the year's operations.

He is speaking in particular of the wheat farmer.

> The continued high cost of things needed to operate a farm and to maintain the farm family was putting the farmer in an impossible position. The price he received for his grain and other agricultural products was too low to keep the average farmer out of debt.

Then he went on to point out this:

> The improvement in income in 1956 will not bridge the gap between costs and prices as shown in 1955 figures. The result is that many farmers are dipping into reserves to keep going while other farmers are accumulating debts which will be extremely difficult to pay at present prices.

Then he said the future is bright for wheat, and ended in this way:

> The disparity between costs and prices will in all probability continue to have a serious effect on farm people throughout the coming year . . . The continued high cost of things needed to operate a farm and to maintain the farm family is putting the farmer in an impossible position.

That is something we have been bringing to the attention of the house over and over again in recent years. That was one of the reasons we have advocated—and I again advocate it—in view of the loss of our wheat markets through the actions to which I have referred, that in the interests of maintaining and extending a continued increase in our wheat marketing we should convene in Canada at the earliest possible date a British commonwealth trade conference in order to ascertain in consultation, as I expect can be achieved, whether or not we shall be able to secure a larger share of the wheat marketing within the commonwealth.

What about India? Under this scheme she has entered into an agreement with the United States to take $400 million worth of wheat and other farm products, a practical give-away. Surely if a commonwealth conference were convened such things would not be taking place. In any event, the condition would be alleviated and a larger share of the wheat market would be made available. Why not call the conference? What harm can there be in doing so? If anyone argues with me that nothing can be achieved, then I ask why it is that we send trade commissioners all over the world. Let us convene such a conference and endeavour to secure for the future some of the markets for our wheat which are being lost.

We said the same thing in 1928 and 1929, namely that the markets for wheat were being lost. If you read the speech from the throne in 1929 and 1930 you will find that the Governor General uttered words to the effect that all was well, that we had on hand and unsold more wheat than ever before. We lost our markets then as we are losing them today. We are not only losing our markets for today, but by improper practices that are countenanced by this government through its failure adequately to object, we are losing our markets for the future.

This brings to mind a further suggestion that I place before the government in connection with agriculture in general, and wheat and other farm products in particular. Now that the Supreme Court of Canada has given its judgment on the jurisdiction of the dominion parliament and the provincial legislatures in connection with agricultural boards and the like, I suggest that there should be convened a conference of dominion and provincial representatives on agriculture and also representatives of the various agricultural bodies in this country, to the end that in a community of discussion we may be able to determine a course of marketing for wheat and other farm products, and also assure that agriculture shall not continue in its present position of being caught in a squeeze between rising costs and falling farm prices.

These are but one or two suggestions. There are others I could have made, but at the moment I will rest at this point and merely say this in summary. We support the legislation continuing the wheat board. It is natural that we should do so, for we gave it birth and we have given it support throughout the years. In the second place, I suggest that the wheat board should operate as an independent body for the producers, and in no way to carry out government policy under the direction of the government to the detriment of the farmer. In the third place I suggest that in order to meet the serious challenge to our agricultural markets, and in particular our wheat markets of which I am speaking at the moment, parliament has the right to know what this government is doing. Is it whispering to the United States?

An hon. Member: It is playing golf.

Mr. Diefenbaker: There is nothing on the record. Last year a question was asked as to the particulars of the protests and as to the replies given to the protests, and the minister said the protests were worded in such terms that they did not require a reply. Let us make protests that require a reply. Let us make known to the government of the United States exactly how Canadians feel about this highly improper and improvident course of action that is being followed.

Mr. Speaker, when the Prime Minister met with the President of the United States in balmy Georgia—

An hon. Member: He went to play golf.

Mr. Diefenbaker: —and had that ride on the cart, did he tell the President of the

United States what a ride the Canadian wheat farmer was receiving at the hands of the government of the United States? I tried to get that information previously, but I have not succeeded in doing so. Possibly when the minister replies he will tell us what strong words he used or what words, if any, he used, and also the degree to which the warning words have fallen on ears that have not only heard but have acted.

Again I suggest the convening of a British commonwealth trade conference in order to ascertain whether or not these markets within the commonwealth can be retrieved. When you look at the situation in Europe today you find that Britain for the first time in all her history has commenced to look to the continent of Europe for a free-trade area. In that area there will be mutual trade with six other countries. Britain is only held back by her desire not to do any harm to the agricultural products which she purchases today from various parts of the commonwealth.

What is the government doing in that regard? What will be the result if this free trade area is opened? What loss will be suffered by Canadians, and in particular by the wheat farmers? What is Canada doing in regard to this innovation in international trade on the continent of Europe to assure that her markets for wheat will not be lost there, and what is she doing in order to assure the continuance and maintenance of the British market?

Then, sir, one final suggestion is the convening now in Ottawa of representatives of the dominion and provincial departments of agriculture and of farm bodies generally. Realizing the distribution of powers between dominion and provincial governments and the limitations on the exercise of federal and provincial jurisdictions, we should act in order to do something on behalf not only of the wheat farmers but of farmers generally in all parts of Canada.

Mr. H. R. Argue (Assiniboia): We in this group, Mr. Speaker, will vote for second reading of the bill. We do so because we believe in an orderly system for the marketing of wheat and other grains. I listened very carefully to the remarks made by the Minister of Trade and Commerce this afternoon. When he says that the western producers almost unanimously support the wheat board, he is correct. When he says that the producers of western Canada believe the present personnel of the Canadian wheat board have done a very good job, considering all the circumstances, he is correct.

But I was disappointed that the minister did not demonstrate his own belief and the belief of the government in the good job the Canadian wheat board has been doing under these circumstances by proposing to parliament that the Canadian Wheat Board Act be made permanent legislation. Apparently the government is converted to the principle of the wheat board on a temporary basis. The minister says we are asking parliament now to consider giving the wheat board a further life of five years. We have heard a lot of talk this afternoon about a great many of the problems that face producers in the marketing of grain, but I have heard few suggestions as to what should be done to help farmers; what should be done now to put more money into the pockets of the farmers; what should be done now to see that within the next few months farmers are able to sell more grain.

We believe in the wheat board system of marketing grain. We in this group believe in it because we believe it will be more and more demonstrated that it is necessary for a government to involve itself to an even greater extent in the marketing of such commodities produced in this country. We believe in it because we believe there is an important field in this country to be occupied by public ownership and by public planning. The wheat board is part and parcel of the principles and beliefs of the members of this group. So we say to the Minister of Trade and Commerce that if he himself were in fact completely sold on the principle of orderly marketing under the Canadian wheat board, he would not be proposing to parliament at this time a bill to extend the life of the Canadian wheat board another five years, but he would be presenting to parliament a bill to make the wheat board a permanent part of the economy of this country. In addition, he would be proposing that the wheat board handle oats and barley outside the Winnipeg grain exchange, and would prepare an amendment to the present act so the wheat board would be empowered as the sole marketing agency for rye and flax.

The minister has divided himself and his beliefs into two compartments. Part of the minister's belief is in the Canadian wheat board, that is true; the other part of his belief is a belief in the Winnipeg grain exchange, keeping their doors open and allowing the future market to operate to the detriment of the producers.

Producers well know just how the futures market has operated in recent months to their detriment. A year ago last fall when the farmers were selling flax they were getting just over $2 a bushel. When they decided in the spring to buy some seed to

sow flax they found the price was up to $4 or $4.25. When they marketed their flax through the Winnipeg grain exchange, through the speculative market, the price was low. In the spring when they went into the market to buy flax, they found the price was high. I suggest that right now the government, if it wants the approval of he Canadian wheat and grain producers, should introduce an amendment giving the exclusive marketing of oats, flax, barley and rye to the wheat board. Then they would close the grain exchange and, in effect, put a padlock on gambling and throw away the key.

The minister is not interested in supporting a system of orderly marketing to that extent. We believe, too, there should be a system of cash advances. We supported that idea last year and we support it now. I suggest that at this moment, in this crop year, farmers are very much in need of such a system of cash advances.

Then the minister took this opportunity to condemn the report of the royal commission on Canada's economic prospects. This commission was a child of the government, but the minister has condemned its report by a very sweeping statement to the effect that certain sections of the report are completely impracticable. I do not agree with one section at all, but perhaps for different reasons from the minister. We in this group would not be satisfied with the proposal of the royal commission that the wheat board make a guess as to the amount of wheat it would be able to accept, and then provide for an initial price based on that quantity. If marketing conditions were not good and the amount of grain the wheat board could export was not large, then the farmers' income would be very low. A further item that is not mentioned is what would happen if the wheat board were able to take more grain than they judged they would be able to accept. Would they take it at a guaranteed price or at a lower price? I think the whole section of the royal commission report dealing with agriculture generally is very inadequate and, to make a general statement, the implementation of that report would not meet the needs of the farmers in this country.

We would like to see the principles of the Canadian wheat board extended. We would like to see the government take action to improve the sales and exports of Canadian grain. A year ago the minister made a very optimistic statement to this house as to the future of wheat exports. Today he did not make any optimistic forecasts. He did not say we would be marketing, in this crop year, a much larger quantity than we did last year, or exporting a much larger quantity. All he said was that the outlook was not gloomy and went on to say that the wheat board has a difficult task.

The other day, in making a speech outside of this house, the Minister of Trade and Commerce, as reported in the *Globe and Mail* on January 24, had this to say on this point:

> I would mislead you, however, if I did not add that, in order to produce satisfactory results, the wheat board and all others concerned, will have to work harder than ever to sell our grain in overseas countries. Competition shows no signs whatever of abating, and the high current level of ocean freights constitutes a new and formidable problem.

We all know that the Minister of Trade and Commerce looks on everything in a very optimistic way, but in this instance he has changed. He is not painting an optimistic picture. I can only conclude that the Minister of Trade and Commerce himself feels that the near future for the marketing of wheat is very uncertain indeed. I saw a report by the Alberta wheat pool, published in the Alberta *Wheat Pool Budget* of January 11, which states that the reports received on future sales of wheat are discouraging. The Alberta *Wheat Pool Budget* goes on to say it does not appear certain at this time whether or not Canada will export during the present crop year even as much wheat as we exported last year.

Last year our exports of wheat increased considerably over the year before. In studying why we were able to sell 309 million bushels of wheat in the face of very severe competition from the United States I found there were three main reasons. The first was that there was a poor European crop. They had a very bad winter in Europe a year ago, so that sales to Europe from Canada were increased. The Argentine experienced a very poor crop, and for that reason competition from the Argentine was lessened. Probably the main reason was that last year there were very substantial quantities of wheat purchased from Canada by certain Soviet bloc countries. These exports to countries in the Soviet bloc amounted to a total of some 45 million bushels.

The picture now seems to be changing. The Argentine crop, which has just been taken off, is estimated to be something of the order of 253 million bushels as compared with 193 million bushels last year. Australia has been successful in increasing her exports from 90.6 million bushels a year ago to 130 million bushels in the most recent crop year. In this situation we see that the wheat board is experiencing some difficulty in selling and exporting Canadian wheat, even

though in the current crop year the record, compared with the same period last year, has been better.

Last year, in the period from August to November, our exports were some 28 million bushels fewer than they have been in the same period this year. In that same period this year we exported 106 million bushels. The United States exported 150 million bushels, or 44 million bushels more than Canada was able to export. The Canadian *Wheat Review* for December, 1956, shows that for the first time since 1951, in the period from August to November, United States sales of wheat, or exports of wheat, exceeded those of Canada.

Mr. Howe (Port Arthur): Don't use the word "sales".

Mr. Argue: "Exports" is the correct word. The United States exports of wheat exceeded those of Canada. I say these are very disturbing figures, and I believe that unless new policies are adopted, to which I shall refer later, we are in danger of losing to an even greater extent our export markets.

Where does the farmer fit into this picture? What is happening to him? It is true, as the minister says, that during the last few years he has been delivering to the elevators normal crops or something in excess of normal crops, because in that period exports have been normal or above normal. What about the price? What is the farmer being paid? None of us would like to go back—at least we have never thought we would like to go back—to the 1930's and experience the very low prices for agricultural commodities that were obtained during that period; but I notice that during the latter half of the 1930's, the period on which the cost of production index is based by the minister's own department, prices for Canadian wheat were not too bad during some of those years. From 1935 through the next five crop years the average price of No. 1 northern wheat at Fort William was $1.02 a bushel. That is to say, in the five-year period from 1935 to 1939 the average price of No. 1 northern wheat at Fort William was $1.02 a bushel.

Costs in those days were relatively low. The price index, based on 1935-1939 equals 100, is today 254, so the purchasing power of a bushel of wheat now in relation to the purchasing power of a bushel of wheat during the late 1930's is just 72 cents. In other words the price of wheat today in terms of purchasing power is 30 cents a bushel less than it was in the late 1930's.

This is the price-cost squeeze. It is because of the bad price-cost relationship that thousands of farmers on the prairies are now folding up and leaving their farms. Thousands of half and three-quarter section farmers and young farmers who started farming during the war now find they cannot make ends meet; that their income is not sufficient to cover their costs. They are leaving their farms and going to the cities.

In the period immediately following the war the prices were reasonably satisfactory and costs were much lower. For example, in 1945 the net price of No. 1 northern wheat to the farmer basis Fort William, was $1.83 a bushel. In 1957, although no one knows, probably a reasonable estimate of the net price based on current prices would be $1.65 a bushel. The purchasing power of a bushel of wheat today in relation to 1945 has dropped from $1.83 to 99 cents. It costs almost twice as much to produce a bushel of wheat today as compared with 1945, yet the actual price to the producer has dropped by 18 cents.

It is no wonder, then, that under those circumstances the head of the Saskatchewan wheat pool, Mr. J. H. Wesson, a man who is respected in the grain business, a man whose opinions are considered very carefully by the farm movement, points out that this is the most important problem facing western grain producers of this time. The *Western Producer*, the official organ of the Saskatchewan wheat pool, in an editorial on January 17 referring to Mr. Wesson's statement and this situation, has this to say in part:

> In point of fact the squeeze is becoming daily more pronounced as the differential between what the farmer sells and the goods he has to buy continues with every passing month to widen. Mr. Wesson, who is not noted for exaggerated or irresponsible statements in such matters, says flatly: "The continued high cost of things needed to operate a farm and to maintain the farm family is putting the farmer in an impossible position."

Because of that situation the C.C.F. believe the government should take some very definite steps. We suggest that the storage payment principle adopted last year should be extended, and that there should be paid from the national treasury funds to cover the cost of storage of all the wheat in the elevator system and on the farms. If that were done I estimate that it would increase the price of wheat to the farmer by 10 cents a bushel.

I realize that under the rules I am not allowed to make any particular reference to a previous debate, but we demonstrated in this house a few days ago our stand so far as prices for agricultural products are concerned. We laid down the principle of parity prices. We believe that the price for wheat should be increased. This increase should be brought about first of all by increasing storage payments and second by providing a parity price for wheat consumed in Canada.

We further suggest that steps should be taken to provide a parity price for wheat exported to the world's markets. This we define as a price level that would give to the grain producers of western Canada an income on 100 per cent parity with people doing comparable work in other occupations.

We believe that a system of cash advances should be adopted immediately. I agree with the request of the Saskatchewan wheat pool to the government that cash advances should be made through the elevator system. This is the policy we have been advocating for years. The Saskatchewan wheat pool pointed out it could be done by the adoption of a special financial policy on the part of the federal government to make moneys available through the elevator system. The minister does not want the wheat board involved in the making of cash advances. We have never suggested that the wheat board itself should make them; we would be perfectly happy to have the elevator agents make cash advances acting under special legislation adopted by the government.

There is a further proposal we suggest in order to provide equity among the producers themselves. We witnessed the conclusion of the last crop year with quotas sadly lacking in uniformity. Quotas were up to eight bushels at some points and down to four or five bushels at other points. If we are going to have a stable system of marketing grain surely the question of stability and orderly marketing should be extended to the quotas so they can be equitable at the end of each crop year. If it is impossible and impractical for the wheat board to make every single quota at every single marketing point precisely the same as of July 31, then we suggest that a system of adequate cash advances could remove any inequity that may stem from the quotas that exist at the end of the crop year. In other words, advances should be available to the producers which will allow farmers to obtain the same relative income as other producers, whether or not box cars happen to have been spotted at their marketing points.

The policy of this government in relation to the marketing of grain, as in many other respects, is one which has very backward aspects. This government goes under the name Liberal, but I suggest that as far as the farmers are concerned it is a reactionary government with many reactionary and backward policies. If one examines the support prices that prevail in the world one will find that there are just two or three countries that have floor prices as low as or lower than in Canada.

[Mr. Argue.]

Almost every other country in the world has long since decided that the people who farm and produce food are entitled to an equitable living on a par with people engaged in other occupations. The United States is now paying a support price of $2 a bushel, Japan $2.59 a bushel, France $2.64 a bushel, Turkey $2.91 a bushel, Norway $3.43 a bushel, Switzerland $4.03 and so on. Countries across the world have decided that adequate support prices should be implemented but this government, believing as it does in the free market system to the extent it can get away with it, continues to return to the farmer only the number of dollar bills it can obtain on the world markets.

The United States government is very directly engaged in the marketing of the grain of that country. The Republican government elected in 1952 said it was determined to get out of the wheat business, and its policy was to withdraw any government control of agricultural commodities. Today the Republican administration of the United States is more deeply involved in the marketing of agricultural commodities than any previous Democratic government had been. The United States are grabbing the wheat markets of the world.

Much has been said in criticism of the policies of the United States government in this regard. I have some information concerning the large quantities of wheat the United States government has been able to dispose of under its various policies. I doubt if many hon. members realize the large degree to which the United States has corralled the present wheat markets of the world. The information I have obtained indicates that under title I of public law 480 the United States since 1954 has contracted for the sale of 2,073 million bushels of wheat. Under section 402 of public law 665 concerning the acceptance of defence material the United States has sold $393 million worth of wheat. Under title 2 of public law 480, which is the gift section involving the provision of food in the event of famine, approximately 40 million bushels of wheat have been exported. All in all under these policies the United States as I understand it has contracted and agreed to the sale of some 2,200 million or 2,300 million bushels of wheat.

I suggest that even if the government sent the entire cabinet to Washington to protest the actions of the United States under these policies nothing could be accomplished because the damage has already been done. Even if the United States were asked to break its contractual obligations with importing countries the answer of that country is

bound to be in the negative. There is no hope for us this way. We can merely protest, saying we do not like it. I suggest we can shout as loud as possible and make as much noise as we like, but it will probably not result in the sale of an additional bushel of wheat.

The United States has corralled some of Canada's best markets. The United States has entered the Brazilian market, and has a three-year contract for the sale of $200 million worth of wheat to India. The Indian market is in large part already lost to Canada. Last year we were able to develop an additional market in iron curtain countries. Last year during the first nine months we sold to Poland, Russia and Czechoslovakia a total of $60.4 million of products, mainly wheat. During the same period we imported from those countries a mere $6.1 million worth of goods. I am now wondering if the difference between the export and import figures explains why these countries have not so far this year purchased any wheat from Canada. Certainly it will be impossible for Canada to continue selling to these countries ten times as much as we are prepared to import from them.

It is for this reason that hon. members of this group say the time has come for this government to adopt new policies governing the sale of wheat and other commodities. We suggest once again as we have so often suggested in the past that the government should be prepared to accept local currency from any country that might want to buy our wheat. We should agree not to turn the local currency into dollars but to block it in that country and be prepared to use it in the future for the purchase of goods produced in that country, or for investment in the countries which have purchased our wheat.

We think that is a sensible policy. We think that is a policy which will increase our sales. We think that is a policy which will return us something for the wheat which we have to sell. We suggest further that it is not good enough to sell wheat to countries which may wish to buy it from us on a contractual basis. We suggest that we should be prepared to say to Russia, Czechoslovakia and Poland, "If you are prepared to buy our wheat we will agree to purchase substantial quantities of the goods you produce so you can keep on being a good market for our products." I am afraid that if we continue to say to the nations of the world, "We will sell only if you pay hard money" we will continue to experience great difficulty in the selling of our wheat. The danger is that the United States may grab more and more of the markets we have enjoyed.

To sum up, I suggest that there are at least six practical things the government could do now, things that are not just talk, not just window dressing, but acts by the government which would benefit the agricultural producers in Canada.

First, I suggest that the government should extend the operations of the wheat board to cover the marketing of oats, barley, flax and rye in their entirety, and thus bring about the final closing of the Winnipeg grain exchange.

Second, I suggest that the government should extend the principle of paying storage on grain, such storage to be paid on all wheat held in the elevator system and to farmers who store wheat on their farms.

Third, I suggest that a system of advance payments should be adopted so as to give to each producer in western Canada the same income per acre as his neighbour, irrespective of what quotas may exist at the end of the crop year.

Fourth, the government should adopt a system of parity prices that would guarantee the people engaged in the agricultural industry 100 per cent parity of income as compared with people engaged in comparable occupations.

Fifth, I suggest that in order to improve exports of Canadian grain we should be prepared to accept local currencies of countries willing to buy our grain.

Sixth, I suggest that Canada should stand prepared to make bilateral trade contracts in order to guarantee good customers for Canadian wheat that Canada in turn will be a good customer for their commodities.

I submit that if this type of program were adopted it would greatly increase Canadian sales of wheat; it would restore Canada's position in the international markets of the world, and it would bring to our wheat producers a quality of income as compared with people in other industries.

Mr. Victor Quelch (Acadia): Mr. Speaker, we in the Social Credit group will support the second reading of Bill No. 9, to extend the operations of the wheat board as the sole marketing agency for wheat for another five years. There is no doubt that the majority of farmers do support the wheat board as the sole marketing agency for their grain, and they are asking that flax and rye should be brought under the act. I suggest that the main reason for that is that rye and flax are under quota now. A wide variation in prices has developed, and the farmers want to have the same stability in the marketing of those grains that they have in the marketing of wheat, oats and barley under the wheat board.

I think we are fortunate in the type of men we have had at the head of the wheat board, and I have in mind particularly Mr. McIvor. I think it speaks very well that in spite of the difficult times the grain growers have been going through the wheat board is still endorsed by them as the sole marketing agency for their grain. I think the reason for that is that the farmers realize their difficulties are not due to the fact that their grain is marketed through the wheat board, but rather to the failure of the government to cope with the difficult problem of surpluses.

Hon. members on all sides of the house have stressed the fact that agriculture is a depressed industry. It has been stated on many occasions that the net income in 1955 was down 45 per cent from 1951. I am well aware of the fact that the Minister of Agriculture does not consider that a fair comparison because the 1951 income was at the peak; but it is also interesting to note, as has been pointed out by the Canadian Federation of Agriculture, that today farm prices are 6 per cent lower than they were in 1949, while farm costs are 20 per cent higher. That indicates the type of cost-price squeeze the farmers are in. No one can suggest that farm prices in 1949 were anywhere near their peak; they were at a quite reasonable level.

In my opinion the depressed condition of agriculture is due largely, as the Minister of Trade and Commerce has said, to the number of large crops harvested in the west. It is due in part also to the fact that we have lost certain markets to the United States, which has resulted in surpluses which in turn have had a depressing effect upon prices. I think the important question that must be dealt with is just how much production do we want. Does the government want a high level of production maintained? From the remarks of the Minister of Trade and Commerce that would certainly appear to be the case, and I think he is right.

It will be remembered that last year he said he hoped we would have a bumper crop in 1956. Well, we did have a bumper crop, which helped to increase the problem of the government in marketing.

Mr. Blackmore: And the problem of the farmers.

Mr. Quelch: I believe it was during this session that the Minister of Agriculture referred to the drought in the United States and suggested that we might be faced with one in Canada in the near future, and for that reason it was most important that we have a substantial reserve of grain on hand in the event of a crop failure. So I would agree with the Minister of Trade and Commerce and the Minister of Agriculture that it is desirable to maintain at all times a substantial reserve of grain in this country.

Another reason why we should maintain a substantial reserve is the fact that there is still a lot of hunger in the world. Hon. members will remember that last year the North American representative of FAO, speaking before the Senate, pointed out that 50 per cent of the population of the world were still undernourished and that millions were on the verge of starvation. Then he pointed out that these people realize today that this situation is not necessary. Those people who are on the verge of starvation know there are large surpluses of food in many countries. They are no longer prepared to see their loved ones starve while that food in some cases is rotting away. No doubt that situation is largely responsible for the wave of unrest sweeping the east today.

Just how large is this surplus? We hear comments about the surplus or the reserve we have that would make you think it was absolutely gigantic. I should like to quote from the Alberta budget of November 9 where under the heading "How big is the surplus?" it states:

> The Canadian Bank of Commerce recently termed the wheat carryover as "astronomical".
>
> There is no doubt that under our pattern of trade and distribution the situation is serious but the volume is inclined to impress us beyond its real proportions. We see the figures 1½ billion bushel world carryover as almost the equivalent to the entire normal export figure for a one and a half year period. We overlook the fact that the world population is also astronomical. There are over two and a half billion people and in terms of food reserves we have only 36 pounds of wheat per person. In the United States, where flour consumption is moderate, 190 pounds of wheat a year per person is consumed. For much of the world population wheat is unobtainable but the annual consumption is in the neighbourhood of 6 billion bushels. A one and a half billion bushel surplus is the equivalent to a three month supply for this wheat-eating section.
>
> Awkward as wheat carryovers may be to world trade, a 90-day reserve supply of such an important food commodity does not seem unreasonable. Few livestock men would care to operate on a narrower margin of basic feed reserves. The human race should be able to design an economy that would permit it to carry some assurance against emergency food depletion without causing a marketing breakdown and penalizing the producer.

I think most of us would agree with the reasonableness of that statement, but unfortunately there are many eastern newspapers that do not seem to appreciate the situation and talk of this reserve as being a tremendous calamity. If it is in the national interest that the farmers produce enough to provide a fairly substantial reserve, then I maintain it should be a national responsibility to provide storage for that reserve, to pay the carrying charges on it, to make advances

against grain that has to be held on the farm as a consequence of our storage being full of that reserve, and to maintain a support price under wheat on account of the fact that the reserve is having a tendency to depress prices.

Last session we passed a bill under which the government agreed to pay the carrying costs on wheat carried over in excess of 178 million bushels. The Minister of Trade and Commerce pointed out that the annual cost could not exceed a certain figure, due to the fact that our total storage space was being employed and there could not very well be an increase in storage costs to the government. But unfortunately it appears that the government is taking action to prevent those charges increasing, by curtailing storage in Canada. Of course the minister knows I have in mind the fact that last year and the year before, when many farmers and businessmen in western Canada realized they would not be able to deliver very much wheat, they took the initiative in building additional storage at country points. That was known as off-site storage, and in that way they were able to build that storage, rent it to the elevators and then deliver their wheat there.

Unfortunately the government decided last year to refuse to licence any more off-site storage and that, of course, has helped to complicate the situation in the west. There is undoubtedly an urgent need for increased terminal storage. Every farm organization has asked that terminal storage be increased. When the Canadian Pacific Railway Company was before the committee on agriculture last year their officials emphasized the need for additional terminal storage. They pointed out that it was needed in order to relieve congestion, and that it would ease the problem of deliveries of grain both incoming and outgoing.

If it is agreed that reserves are desirable, and if it is not the intention of the government to expand our storage so that additional deliveries can be made, with the result that the farmers have to hold large amounts of wheat on their farms, some system of cash advances is absolutely essential. It has been urged by every farm organization. It has been urged by the interprovincial farm union, it has been urged by the western conference, and it has been urged by the different pool organizations. It is well to remember that a similar system is in operation in the United States, has been in operation for a number of years, and has proved quite successful.

The Minister of Trade and Commerce pointed out that actually there was no difference between that system and off-site storage, because the farmers could deliver their grain to the off-site storage and get interim payments from the grain companies. The trouble is that the government now refuses to licence any more off-site storage, so we have not anything similar to what exists in the United States. That has been disallowed by the government, perhaps on the recommendation of the board of grain commissioners, but anyway the members of the government are the ones who have to take the responsibility for that action.

No doubt the minister will say that while they are not making advances against grain stored on the farms they did pass legislation to make it possible for farmers to get loans from the chartered banks. For a number of reasons that legislation cannot be considered satisfactory. In the first place, in many cases the amount is altogether inadequate. Second, there is an interest charge which many feel should not have to be paid when the money is advanced against grain that has to be held on the farm because our terminals are full of the reserve of wheat which is needed. Third, and I think this is probably the main criticism—it is the main one I would make—there is the fact that the farmers are not able to get a second loan from the chartered banks unless they repay their first loan.

It stands to reason that if a farmer cannot deliver wheat he is not able to repay the loan he got last year. There are many farmers who got loans last year who were able to deliver only a small quantity of wheat, who were not able to repay their loans and who need loans now but cannot get them for that very reason. Although the minister gave us some assurance last year that preference would be given this year to those farmers who were not able to make deliveries equal to the top quota deliveries last year, unfortunately that is not working out. I made a survey of a number of points in my constituency where at July 31 last year the delivery quota was set at 5 bushels. I find that a large number of points that were on a 5-bushel quota in July of last year are still at the bottom this year. They only have a 1-bushel quota, whereas other points have a 3-bushel quota and in some cases 4 bushels.

We have been told that the C.P.R. is to blame for that situation, but so far as my constituency is concerned it is practically all C.N.R. Even on the C.N.R. we have points only 18 miles apart, and at the one point they are on the initial delivery unit of 300 bushels while at the other point they have a 3-bushel quota. There does not seem to be any sense or reason in that situation.

It is all very well to say that the reason is that at the point where they have the low

quota they have not the right kind of grain, but I have found that is not a fact. I made a very close survey of that question, and I found that at a number of local points where the quota was low they had exactly the same grade that was being shipped from the high delivery points. I took this up with the wheat board by letter and they did take action to rectify the situation at some of the points. But even now, though they have got a few cars in there to raise the quota of the low points perhaps by a full one bushel or two, they are still well below other points.

I think that is a situation the government will have to take some action to rectify. It is bound to strain the loyalty of people to the wheat board when a situation like that continues. They blame the wheat board for the situation sometimes, but I really do not think the fault lies there at all. The minister has said some rather harsh things about the Gordon commission. I frankly admit that I did not like the report of the Gordon commission so far as agriculture is concerned. I think there are some good points in it and there are some poor ones, but at least at one point the Gordon commission does recognize the fact that the farmers should have some assurance that they will be able to get a minimum income. In other words, they say that when it is agreed that a certain quota should be in force, the wheat board should pay the farmers for the undelivered grain if the board is not in a position to accept delivery of that quota. If that policy had been in force last July it would have gone a long way to do away with the complaint that was being made at that time. I think the government should give serious consideration to a policy of that kind; that is to say, if by July 31 it is not possible to equalize quotas, then advances should be made to the farmers on the grain that has not been delivered in line with the top quotas.

On the question of support prices, we in the Social Credit group for a number of years have been advocating the adoption of the two-price system. We have been advocating it ever since 1950. When we first advocated such a system we pointed out that it is in line with the general practice of secondary industries. Secondary industries set a price for the products sold in Canada at a level that will give them a fair return on their investment. Then on the goods they ship abroad they seek to get the best price they can.

There are times when those goods which are shipped abroad are sold at a price lower than that for which the goods are sold in Canada. I remember that some years ago I checked on the sales of farm machinery by a Canadian manufacturer, and I found that in England they were selling their machines at prices considerably lower than those at which they were selling the same machines in Canada. In other words, they were operating under a two-price system.

It seems only reasonable that a similar system should be adopted by agriculture. Apart from wheat, about 94 per cent of all farm products is sold in Canada, but we allow that small 6 per cent that is exported abroad to set the price for the other 94 per cent. It appears to me that there is little sense or reason in allowing a situation of that kind to exist. Therefore those people who advocate the adoption of the two-price system are merely advocating that the farm products sold in the domestic market should be sold at parity, or in other words at a price that bears a fair relationship to the prices of other commodities; and that that portion exported abroad should be sold, preferably under international agreement, for the best price that can be obtained, with a support under it to insure the exporter against a price collapse.

It is interesting to note that today every major farm organization is advocating the adoption of a two-price system. At the western agricultural conference held in Winnipeg from January 21 to January 25 this resolution was adopted:

> A two-price system establishing prices on all farm products at a fair relationship level for the domestic market and floor prices at non-incentive levels.

It will go the Canadian Federation of Agriculture from that conference. Then the Alberta wheat pool, according to the *Wheat Pool Budget*, issue of December 14, 1956, stated this:

> Two Price System
>
> Alberta wheat pool delegates have passed a resolution calling for a two-price system of selling wheat. They urged that wheat used for domestic consumption in Canada be sold at the ceiling level of the international wheat agreement, namely, $2 a bushel, and that exports be made at world prices which are somewhat below this level.

The Saskatchewan wheat pool advocate a domestic price for wheat used in Canada for human consumption in line with other Canadian prices—that is $2 a bushel—and then deficiency payments from the treasury of Canada to bring the agricultural producers a fair share of the national income when the prices of farm produce do not achieve that end. The exports would be supported. The interprovincial farm union council, in a brief which they put before the federal-provincial agricultural conference, December 3-6, 1956, had this to say:

Parity Prices

We believe that immediate consideration should be given to a program of parity prices on the domestic market and adequate support prices under exports.

In other words they are advocating that the domestic market should pay a parity price and that the world market price with adequate supports be accepted for that portion that has to be exported abroad.

I know the Minister of Trade and Commerce has taken quite strong exception to that suggestion. When the interprovincial farm union council appeared before the committee on agriculture and colonization on June 17, 1952, the Minister of Trade and Commerce, commenting on the proposal to apply the two-price system to wheat, had this to say as reported on page 538 of the minutes of proceedings and evidence of the committee:

I can make it plain that as a matter of government policy the Canadian government will not tax the consumers of this country to bonus the wheat producers of western Canada.

Let me point out that the domestic price at parity is no more a tax than is the price charged by secondary industries. They charge a price that gives them fair return on their investment.

Mr. Blackmore: More than fair.

Mr. Quelch: Under parity prices the farmer would receive a price that bore a fair relationship to the prices of secondary industries, so that by no stretch of the imagination could you call that a tax.

Let me point out that the Minister of Trade and Commerce is on somewhat dangerous ground when he suggests that a policy of that kind would be a tax on the consumers of this country. The government did not hesitate to tax the wheat growers some years ago for the benefit of the Canadian consumers. Let us remember that during the operation of the British wheat agreement the western grain growers were compelled to sell their wheat or to have their wheat sold to the millers for the Canadian consumer at a price considerably below the world market price, a price which was at the same level as under the British wheat agreement. That action of subsidizing the Canadian consumer at that time cost the farmers of western Canada $136 million.

Some people say they do not think the farmers are justified in expecting the people of Canada to agree to support prices of agricultural products. There are a number of reasons why the farmers are entitled to that support price. One can go back to 1943, the time at which the ceilings were placed on products, and recall that the then prime minister stated as follows:

If, to help win the war, the farmers are asked to accept a ceiling on prices, we believe they are entitled to a floor under prices to ensure them against an agricultural depression after the war. As an essential part of its post-war policy, the government intends to ask parliament at the next session to place a floor under the prices of main farm commodities.

Would anybody suggest that wheat is not one of the main farm products in this country? Yet strangely enough there is no support price under wheat today because wheat is not covered by the agricultural Prices Support Act.

One might ask whether or not the price of wheat today is a fair one. In the first place, what would parity be? If the price of wheat today were maintained at parity level, according to the bureau of statistics—and I obtained these figures last week—it would be $2.37 a bushel. That is to say, if the formula that is used under the Agricultural Prices Support Act were used to cover wheat, the price would be $2.37 a bushel.

Let us recall that under the Agricultural Prices Support Act we use the base period 1943, 1944 and 1945, and then say the price of farm products today should bear the same relationship to the prices of other commodities as they existed in the 1943, 1944 and 1945 period. If that were put into execution in regard to wheat prices, wheat today would be $2.37 a bushel. Instead of that, the price of No. 1 wheat to the farmer is, I suppose, around $1.53 by the time you pay the freight to Fort William, or $1.70 at Fort William. So when you compare the price farmers are getting for their wheat with parity prices we find there is a very substantial difference, and that the farmers are losing quite heavily in regard to the promise that was made by the prime minister back in 1943.

Whilst the price of No. 1 wheat is about $1.70, let hon. members not forget that many farmers today, in order to try to get some income are selling their wheat for as low as 60 or 65 cents a bushel in western Canada, that is No. 5 or No. 6 wheat. If a farmer is up against it and cannot sell his wheat to the elevators, then he looks around for a market for his feed wheat. He can sell his feed wheat if he takes 60 or 65 cents a bushel for it, but that is a heavy loss the farmer should not have to take. It is a loss he would not have to take if the government would introduce a policy of advances against grain stored on the farm.

Practically every other country is supporting the price of wheat. It is not surprising that Professor Hope, when he was asked in the banking and commerce committee if he

knew of any other country doing less for farmers than Canada, answered no. I would say that low prices are the main cause of the farmers' plight today. Apparently the Minister of Finance is opposed to support prices. I suppose the Minister of Finance has quite a bit to say regarding policies the execution of which cost money. In the *Western Producer* of December 13, 1956, there is a quotation taken from the *Financial Post*. I shall read it.

> Finance Minister Walter Harris deserves a good deal of credit for speaking plainly on an important subject in Toronto last week. He came out clearly and strongly against a policy of government farm price supports. "We are close enough to the American experience", said Mr. Harris, "to realize that certain policies offer no solution to our problems."

It is quite a popular pastime with certain ministers of this government to criticize the policies of the United States under which surplus products have been marketed. I would say that the program in the United States, instead of being a failure, has been a gigantic success when you realize the purpose behind it. Let us go back to the end of the war and the Hot Springs conference of FAO, when apparently we all had high ideals. Let us recall the declaration that was made at that time by the member nations, and let me quote section No. 3:

> There has never been enough food for the health of all people. This is justified neither by ignorance nor by the harshness of nature. Production of food must be greatly expanded; we now have knowledge of the means by which this can be done. It requires imagination and firm will on the part of each government and people to make use of that knowledge.

That was back in 1943, I think. I believe we will all agree that the United States addressed themselves to that problem. They took energetic action to build up their production, and they were successful in building it up. They built it up at a faster rate than the FAO or other United Nations organizations were able to distribute it.

The FAO did a lot of very valuable work in trying to establish an organization which would have the responsibility for distributing surplus food to needy nations. First of all we had the suggestion for a world food board. Then we had the suggestion for an international commodity clearing house, and I think that was the best suggestion put forward by the FAO organization.

The Canadian government, along with others, turned down the proposal. I would say that probably one of the main reasons they turned it down was that it embodied the idea of the acceptance of foreign currency in payment for surpluses. In any event, the FAO were not successful in getting other nations to accept their proposals, and consequently each nation was left with the responsibility of disposing of its surpluses. The United States, in carrying out the request of the FAO to build up their production, had built up tremendous surpluses, and these surpluses were left on their doorstep.

On the other side of the picture you had half the population of the world hungry or on the verge of starvation. The United States, and I think it is to their credit, found ways and means of getting that surplus food to the people who needed it. What did we do? Instead of complimenting them upon getting this food to the people who needed it we did nothing but criticize them. Why did we criticize them? We did so from purely selfish reasons, because that action interfered with our own markets. I would suggest that instead of criticizing the United States for what they have been doing we should be prepared to do likewise, and get our surplus food to the nations that need it.

I should like to refer the Minister of Trade and Commerce to a statement made by Right Hon. A. B. Low, minister of state for the British board of trade, regarding sterling. We have had quite a few discussions on the question of the acceptance of sterling. The minister always emphasizes the fact that if we accepted sterling we would not be able to do anything with it. Let me quote from the *Western Producer* of October 11, 1956:

> Pound sterling accepted by Canadian exporters for sales to Britain, can be used for purchases of goods anywhere in the sterling area, Right Hon. A. B. Low, minister of state in the British board of trade, told the *Western Producer* in an interview at Edmonton last week.

That is all I am going to say on that point now, but that points out that sterling would not be quite such a useless commodity as the Minister of Trade and Commerce tried to make out last year, when he said you could not even buy a necktie with it. Certainly the United States is making its surplus production available to the nations that need it.

Mr. Howe (Port Arthur): I did not notice on what date that statement was made by Mr. Low.

Mr. Quelch: October 11, 1956.

Mr. Howe (Port Arthur): I suggest that may be the reason he is not in the present government.

Mr. Quelch: The minister can suggest that, but that does not mean the suggestion has any validity. The minister makes some queer suggestions once in a while.

Mr. Studer: Not half as queer as yours.

Mr. Quelch: After the speech the hon. member made the other day, he should keep quiet.

Mr. Studer: You will be hearing another one.

Mr. Quelch: The hon. member had better read the speech the hon. member for Red Deer made, and then send it out to his constituents along with the one he made.

Mr. Studer: He confirmed everything I said.

An hon. Member: You said nothing.

Mr. Quelch: If the government consider that the reserves we have built up are too high and that reserves should be reduced; if they do not think it would be wise to build the reserve any higher, then I think they might well give consideration to the recommendation that is now being made by most of the farm organizations. That is that an inducement should be given to farmers to take land out of wheat production and plant it to soil-building crops.

We see what they are doing in the United States in that regard in the soil bank. We had somewhat similar legislation in Canada during the war, namely the Wheat Acreage Reduction Act, which encouraged farmers to put land into grasses and clover. If at the present time we feel that we are raising too much wheat and that in a short time there will be an increased demand, well, it might be a good thing to conserve the fertility of that soil by putting some of the land into grasses and clovers, so when the time comes that we need additional supplies of wheat that land will be in a good fertile state. It can then be broken up and once again put into wheat. I would suggest to the minister that consideration might be given to this idea.

I see my time is up. When we get into committee I shall have a number of questions to ask.

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, my colleague the hon. member for Assiniboia has made an excellent speech. I understood the hon. member for Moose Jaw-Lake Centre had planned to speak, but apparently the subject has been covered so thoroughly that he has decided to wait until some other occasion.

Mr. Thatcher: I am waiting for you.

Mr. Nicholson: Mr. Speaker, I would suggest that since there has been no opposition to the principle of marketing through the wheat board, the Minister of Trade and Commerce should give careful consideration to the suggestion made by my colleague that we should set up permanent legislation. I should like to remind the Minister of Trade and Commerce that some two years ago, as a matter of fact on March 10, 1955, we had a certain Defence Production Act before parliament. The Prime Minister said at that time, as reported at page 1905 of *Hansard*:

> It is felt that the time has come when the life of the department should be extended by placing it on the same basis as other government departments, leaving it to parliament to decide if and when it will be proper to bring it to a termination.

During the same debate the minister who was piloting this bill said, as reported at page 1967 of *Hansard*.

> There is no need for me to repeat the remarks of the Prime Minister on the need for a more permanent basis for the department in order to attract and retain the type of person needed to carry out the very responsible procurement functions of the future. I would, however, like to say something of the way in which the procurement functions have been carried out.

I submit, Mr. Speaker, that if it was sound business to bring in legislation two years ago with a view to attracting and retaining the best possible personnel, surely we have reached the stage when we should make it clear that we are accepting the wheat board method of marketing not only the grains marketed at the present time but all cereals that enter into the export trade. They should all be handled by the wheat board.

I would like to endorse what has been said by the hon. member for Assiniboia and the hon. member for Acadia regarding the outstanding personnel of the wheat board. I agree with their views. I would like to add the name of Mr. C. B. Davidson, the secretary. Mr. Davidson and I were in university together some years ago. He was regarded as one of the outstanding students at the university, and his outstanding work since then has attracted a good deal of favourable comment. I am sure that men like Mr. McIvor and Mr. Davidson would not have any trouble in finding other employment if it was decided that we should do away with the wheat board, but I think the work these men have done would warrant this parliament passing legislation now indicating that the Canadian Wheat Board Act will be permanent legislation; that it will not be subject to review every five years, and these people will not be held in suspense.

I am sure the Leader of the Opposition would not suggest that we go back to the type of marketing we had in Canada when we had the last Conservative government in office here. I hold in my hand a clipping from the *Manitoba Co-operator* giving the fluctuations in prices of wheat over a number of years. I find that when the Conservatives were in power we had a fluctuation in the price of wheat between 50 cents and $1 in 1930; 51 cents and 73 cents in 1931; 39 cents and 94 cents in 1932; 54 cents and 87 cents in 1933; 75 cents and 94 cents in

1934; and 73 cents and $1.03 in 1935. I have left off the fractions. I am sure it would be very unpopular for them to suggest that that is the type of marketing our wheat people would like to have, so they would have a high price one day and a low price the next day.

Mr. Charlton: We had a better average price during that period than we had from 1935 to 1940.

Mr. Nicholson: The point I am making is that the farmers do not want to be in the position where the speculators are able to make fortunes out of the fluctuations in prices.

Mr. Charlton: The Leader of the Opposition never suggested that.

Mr. Nicholson: If you will calculate the prices I think you will find that from 1935 to 1940 they were higher; but if the hon. member for Brant-Haldimand is opposed to the wheat board legislation—

Mr. Tustin: You heard the Leader of the Opposition say this afternoon we were absolutely in favour of it.

Mr. Charlton: Mr. Speaker, on a question of privilege, the member for Brant-Haldimand never suggested, nor did the Leader of the Opposition suggest this afternoon, that we were opposed in any way to the wheat board. Let that be clear.

Mr. Nicholson: I am glad the record is straight.

Mr. Charlton: You are just trying to clutter it up.

Mr. Nicholson: There is not going to be any attempt to turn back the clock and have the farmers in the position where they would be at the mercy of the speculators on the grain exchange, who managed to have a very low price when the farmers sold their grain and then a fairly high price later on in the year so the speculators could make their fortunes.

This table goes away back to 1918. I am not going to give all the years, but it is interesting to see that before the war we had a high of $1.16 and a low of 78 cents in 1913. The next year we had a high of $1.64 and a low of 94 cents. The following year we had a high of $1.61 and a low of 88 cents, and then a high of $3 and a low of $1.54, in 1916. Therefore, after the experience we had before the war, during world war I and world war II and since world war II, I think the producers in all parts of Canada are expecting the government to provide not only for the orderly marketing of wheat, oats and barley, but to see to it that flax and rye are handled by the wheat board, and even before this legislation is passed to bring in the necessary amendments to set up permanent legislation.

Other members who have spoken have referred to the position in which the wheat farmers find themselves, when their product is being sold in the world markets in the face of unfair competition, from our point of view. We are quite prepared to sell our commodity on the basis of quality any place in the world if we are able to buy those items which enter into the cost of production in a fair market; but it is quite impossible for us to buy in the highest priced market in the world and sell in competition with other countries which are directly and indirectly subsidizing their wheat producers.

The Department of Agriculture publishes a pamphlet called "Agriculture Abroad" every two or three months. The one for December discussed agriculture in a great many countries. I shall refer to a few of them. The price in the Argentine is not too high, but there is a subsidy of 36 cents a bushel there. Wheat is sold to millers at 72.9 cents a bushel, but the farmers are getting $1.09. Costs are much lower in the Argentine, but there is a subsidy there of 36 cents a bushel. There is an interesting section dealing with Egypt. It is pointed out that the plan is for Egypt not to have to import wheat. Canada exported wheat and wheat flour to Egypt in 1952 and 1953, but apparently this market is going to cease to be available.

The hon. member for Assiniboia referred to the situation in France. France is paying a price much higher than our farmers receive. France is determined to be in the export business. France exported some 60 million bushels on which they paid a subsidy of $1.60 a bushel. It is difficult for Canadian wheat to be sold in markets where subsidies of that kind are paid. The price in France is $2.93. If the French farmers can get $2.93 and sell their wheat in other countries under a subsidy, this offers very stiff competition.

It appears that agricultural problems in West Germany have received careful consideration. Plans have been worked out and legislation introduced with a view to greatly increasing West Germany's production, particularly of cereals.

While the position of the Mexican farmer resembles the position of the Canadian farmer and those in a few other countries of the world, Mexico is recognizing that her farmers are receiving a pretty rough deal. Approximately 30 million people in Mexico make a living by farming; they comprise almost 60 per cent of the total population, and receive about 30 per cent of the national income.

That is running pretty true to form as far as Canada is concerned. The Mexican farmer receives about half as much as he should receive. It is extremely interesting that our government is concerned about making available information about the difficulties confronting farmers in countries like Mexico and outlines some of the plans that are being made. I am sure there is no easy solution anywhere for the crisis confronting agriculture, but some of these countries are facing the difficulty and attempting to reach a solution.

There is an interesting portion dealing with the United Kingdom containing no mention of wheat, so I will come to the United States. As the hon. member for Assiniboia pointed out, the United States is presenting real competition to us. The soil bank program in the United States is a scheme devised to put some money into the pockets of the farmers. The program for 1956-57 calls for the payment of $197,-651,000 in connection with this one program alone.

There is also an interesting section concerning the United States barter program. From July to September of last year the value of the negotiated barter contracts stood at over $64 million compared with $43 million the previous year. Under title I of public law 480 an agreement amounting to $98 million has been signed with Yugoslavia, and one of the main commodities involved is wheat. It is expected that 61.1 million bushels of United States wheat will be going to Yugoslavia on a local currency sale basis. The export of United States agricultural commodities totalled over $130 million during the July-September period, wheat being one of the major commodities. In the United States they are devoting a great deal of time to considering the critical position of the farmers in that country with a view to giving them a better break.

There is also a publication on the marketing and transportation situation, which points out that the farmers' share of the consumer dollar which stood at 40 per cent during the 1935 to 1939 period picked up to about 52 per cent in 1946, and has declined year by year until it is now down to 39 per cent. That posed a real problem.

While the farm bill was being discussed in the United States Senate, a senator from Arkansas went back to the days of the ancient Romans and asked what was the cause of the decline and fall of Rome. In his answer he pointed out the decay of Rome quite certainly began when the hardy farm citizens whose valour had made Rome great ceased to be able to maintain themselves and their families by farming their small holdings. He said that in hardly more than a generation over great areas of Italy the family-size farms were swept away, making way for vast consolidated, slave-operated absentee-capitalist holdings that were the equivalent in those days of what we now call industrialized farms.

The senator went on to say that the people who are not prosperous in the United States are the folk on the family-size farms. They are so unprosperous, in fact, that the United States is virtually beginning to be divided into two nations. A single statistic tells the story. Per capita farm income has now declined to the level of $860 a year, whereas the per capita income of Americans off the farm now stands at the level of $1,922. Farm folk are much less than half as well off as other folk in the United States.

I submit, Mr. Speaker, that when the authorities in the very rich country to the south recognize that they have a farm problem; when they bring in legislation to provide money for a soil bank program and carry on barter sales and negotiate for the acceptance of soft currencies, the Minister of Trade and Commerce who is piloting this measure through the house should not be too complacent. He should not be satisfied because this is the best marketing agency that has been devised in Canada or anywhere in the world. The legislation must be tested and weighed against the question as to whether it is doing everything that reasonably can be expected.

I notice that it is five o'clock, Mr. Speaker. I would like to continue my remarks at a later period.

PRIVATE BILLS

TRANS MOUNTAIN OIL PIPE LINE COMPANY

Mr. F. T. Fairey (Victoria, B.C.) moved the second reading of Bill No. 15, respecting Trans Mountain Oil Pipe Line Company.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, may I point out that these bills have just come in. I tried to obtain them earlier in the afternoon but they were not available. Under those circumstances I suggest that an attempt should not be made now to proceed with the debate. There may or may not be something controversial in the bills, but at least we are entitled to examine them and find out what they are all about. That has been quite impossible with regard to the three bills that are on the list today.

Mr. Fairey: Under the circumstances I am prepared to allow the bill to stand.

Private Bills

The Acting Speaker (Mr. Applewhaite): Bill No. 15 stands.

CANADIAN PACIFIC RAILWAY COMPANY

Mr. John M. James (for Mr. McIlraith) moved the second reading of Bill No. 16, respecting Canadian Pacific Railway Company and certain wholly-owned subsidiaries.

Hon. W. E. Harris (Minister of Finance): I do not know whether this is exactly the same type of bill as was presented at the last session, but if it is perhaps there is no reason why it should not be gone on with although the sponsor is not here.

Mr. Howard C. Green (Vancouver-Quadra): My remarks apply also to this bill. We have not had a chance to consider it, and I think it is only fair that it should be allowed to stand.

Mr. James: This bill is almost exactly the same as the one presented last year and I think the hon. member would be familiar with it. There is nothing complicated about it. It is strictly to amalgamate several wholly-owned Canadian Pacific subsidiaries for purposes of economy and better administration.

Mr. Green: It is not exactly the same, because it involves a different set of subsidiary companies. I presume they are located in different parts of the country, and it may be that some hon. member will desire to say something about one or more of these particular subsidiary companies. I suggest that it is a bad practice to have bills go through without anyone having a chance to look at them.

The Acting Speaker (Mr. Applewhaite): I hope the house will appreciate my position as I understand it; that is, that as occupant of the Speaker's chair I have no right to order bills to be stood when they appear in the regular way on the order paper. Of course the sponsor of a bill has the right to request that it be allowed to stand, and such request is usually acceded to by the house. I do not know whether it is my duty to outline the procedure, but alternately if the sponsor of a bill proceeds it is open to any hon. member to move the adjournment of the debate at any stage after the bill has been introduced. Perhaps I could ask the hon. member for Durham, whom I am advised is representing the sponsor of this bill, whether it is his desire to proceed or to have the bill stand.

Mr. James: If the hon. member does not wish to proceed it is perfectly all right with me to have it stand.

[Mr. Fairey.]

The Acting Speaker (Mr. Applewhaite): Bill No. 16 stands. I take it that all divorce bills on the order paper are to stand?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Applewhaite): The business set down under private and public bills having been completed, the house will resume consideration of the business interrupted at five o'clock.

CANADIAN WHEAT BOARD ACT

AMENDMENT TO EXTEND EXPIRY DATE

The house resumed consideration of the motion of Mr. Howe (Port Arthur) for the second reading of Bill No. 9, to amend the Canadian Wheat Board Act.

Mr. Nicholson: Mr. Speaker, some reference was made this afternoon to the preliminary report of the Gordon commission. I do not think anyone agrees with everything in the report, but it is significant that it was considered necessary to devote a separate section to wheat. I think it is disturbing that the best authorities seem to accept the fact that Canada's part in supplying wheat for bread for the hungry peoples of the world is not going to increase. I think most people throughout the world had hoped that in the brave new world which followed the second world war we would attack in an imaginative way the problem of hunger, and that our great wheat fields would be cultivated and food would be sent to those other countries.

The forecast is that our combined export and domestic demand will be between 400 million and 500 million bushels per annum, compared with 385 million bushels in the 20's; 330 million bushels in the 30's; 393 million bushels in the 40's; and an average of 525 million bushels during the seven years 1950-56. It is true that the target of between 400 million and 475 million bushels is a good deal more than our total when the Canadian and world populations were much smaller, but I think it is disturbing that apparently there is going to be no attempt to reach the average established in 1950-56 of 525 million bushels per year.

The federal authorities should make a decision well in advance of seeding as to the quantity of grain which would be expected, and it should decide something about the price. I would remind the house that the minister who is piloting this bill through the house is also charged with defence production. Some time ago he told us that the CF-105 was going to cost $120 million. Apparently he was wrong, because we are now told it will cost over $200 million before

the first CF-105 comes off the assembly line. We are told that in connection with guided missiles we had spent some $24 million when it was concluded that this was too big a project for Canada, that it would be left to the United States to spend money on the development of guided missiles. We have recently completed the construction of the mid-Canada radar line at a cost of another $200 million.

It seems to me that if this minister is prepared to spend $200 million for a plane and $200 million for a radar line, he could ask his colleagues to use their imagination in order that Canada may not go out of the production and exporting of this important commodity, which in my view could be used more effectively in winning friends for the free countries. I think the proposal that the farmer should have some indication as to what the requirements are going to be and how much the economy will stand is a good one.

It is disturbing to be told that our farm population, which stood at 25 per cent of the total at the end of the war, is now reduced to 15 per cent and will be further reduced to about half that in the next 25 years. I submit that the minister in his capacity of minister in charge of the wheat board should give the board the green light to make arrangements with Canadian farmers so they may continue to produce sufficient food to meet our own requirements and to permit us to make some impression on the problem of hunger which has confronted over one billion people throughout the world all their lives, and which is likely to continue during the life of most of us here.

I think the question of bringing goods into Canada from the countries which are buying our wheat must also be considered in connection with the extension of the life of the wheat board. I believe most members will recognize what an impossible task the members of the board are going to have if they are going to be required to dispose of wheat in countries that are prepared to accept our wheat on condition that we purchase some of their goods. Last year the minister was able to end the year in quite a favourable position partly because of the very substantial sales made to Russia and some of the other iron curtain countries. The last time I discussed the question of wheat in the house I referred to our sales to Poland, and pointed out that Poland is apparently planning on buying upward of 20 million bushels of wheat per year over the next 10 years. Apparently Poland is well satisfied with the quality of our wheat and is prepared to give us a fair share of their imports.

It would appear that last year Poland bought around $20 million worth of wheat, over $1 million worth of rye and about $250,000 worth of barley, total purchases in Canada amounting to $25 million. But what about our purchases from Poland? They are running around $2 million. The proposal made last year by Poland was that if we could buy around $5 million worth of goods from Poland they would be prepared to use scarce dollars to buy around $10 million worth of goods a year from Canada.

But surely that is not a concern entirely for the people of Poland. Surely the Minister of Trade and Commerce has some responsibility to give some encouragement and direction to these customers of ours who are not going to be able to continue to purchase agricultural products if more interest is not taken in their products.

The same thing goes for Great Britain. Great Britain has been one of our very best customers, but there has been no serious attempt to see that the wheat board or any other organization is charged with some responsibility for seeing that more British goods find a market in Canada. Therefore it would seem to me that the minister must accept the responsibility for setting up an import board which will have similar responsibilities to those of the wheat board. I am not suggesting that the government should accept a policy which would be foreign to them, but I think if the government set up an import board which could place the problem in its proper perspective before the Canadian people it would be fairly easy to decrease our purchases of goods in markets where we have an unfavourable balance, and increase our purchases of goods in countries where we bought so little.

I submit that the minister must give consideration immediately to the setting up of an import board to deal with the problem of getting goods into Canada from our good customers in the past and from our new customers. Last year, as I said, we sold about $20 million worth of wheat to Poland. I cannot see any reason why in a sale of this sort it is necessary for our customers to go to the brokers or agents on the grain exchange. I understand that there would be a commission of one-half of 1 per cent. It would appear to me that would be something like $100,000 on one sale alone.

Since the wheat board seems to be able to set up very efficient machinery to buy wheat in 1-bushel lots, 5-bushel lots or 10-bushel lots from any farmer regardless of the amount he has to sell, I see no reason

under the sun why the same organization cannot sell this product directly to those customers who would prefer to buy directly from the wheat board. I suggest that the splitting of this $100,000 commission on one transaction alone so the buyer might have half and the seller might have half would meet with very general approval on the part of the farmers, who need every last cent they can get. I submit that taking $100,000 of their hard-earned money to complete a sale through brokers or agents is not in the best interest of producers or consumers.

Having listened to speakers from all parties who are anxious that the method of marketing through the wheat board should continue, I submit that the minister should give consideration to following the same procedure he followed two years ago in connection with the Defence Production Act, and introduce legislation to provide that the wheat board act will be made permanent.

Mr. W. Ross Thatcher (Moose Jaw-Lake Centre): Mr. Speaker, the main purpose of the bill now before us is to extend for another five years the provisions of the Canadian Wheat Board Act. In Saskatchewan the socialists say the Liberal party has no selling policy for marketing wheat. I want to emphasize that this act is the very cornerstone of Liberal marketing policy. In a nutshell, the bill provides that the wheat board shall continue to be the main marketing agency for wheat, barley and oats. I believe I am correct in saying that 99 per cent of prairie farmers, regardless of their politics, support the bill in principle.

It is quite true that world conditions have strained the facilities of the board in the last five years. It is also quite true that our bins, granaries and elevators in western Canada are jammed to capacity at this moment with about a billion bushels of unsold wheat. But this situation was not caused by a breakdown in the selling machinery. Rather I think the wheat surplus has been caused by three other factors. First, as the minister pointed out this afternoon, we have had an unprecedented series of bumper crops. Second, there is the fact that many former importing countries, helped by United States aid and machinery, have in recent years become exporting countries. Third, there is the terrific competition of American give-away programs.

Despite all these difficulties the Canadian wheat board has steadily, patiently and without panic continued to sell wheat in the world markets at the best possible price for the producer. Personally I think the wheat board has done an excellent job in the past five years. Our export movement of wheat has never fallen below the long-term average. The last crop year was one of the most satisfactory export years we have ever had in our history. A vigorous selling campaign was carried on by the wheat board and the government in the iron curtain countries as well as in our traditional markets, and so successful was that drive that last year we exported 309 million bushels of wheat, an increase of 57 million bushels over a year ago.

What is even more encouraging to the western farmer at this moment is the fact that up to January 15 of the current year our exports have been 108.5 million bushels compared with only 71.1 million bushels a year ago, an increase of about 42 per cent. It was said this afternoon that we have lost some of our markets to the United States. Most of those markets were lost primarily, if they were lost, because the Americans gave wheat away.

I sincerely believe that during the past several years the wheat board has done a good job, not only because it sold a great deal of wheat but also because it prevented the price of wheat from dropping very substantially.

A few weeks ago Mr. J. H. Wesson, president of the Saskatchewan wheat pool, was speaking in Regina. From the *Leader-Post* I quote what he said on that occasion:

> "Other problems which we have considered at this meeting . . . are small in comparison to the danger which we have passed through that wheat prices might have fallen by 50 to 75 cents during the past year."

Then the report continues:

> He urged delegates to tell the membership that the wheat board and the international wheat agreement had averted this catastrophe.

Those are the main reasons the Liberal members from Saskatchewan are 100 per cent behind the Canadian wheat board in their effort to get a better price for the producer. However, I find it most difficult to understand the attitude of the socialist members from Saskatchewan toward the Canadian wheat board. On the one hand they solemnly profess vigorously to support the wheat board in all its objectives, yet on the other hand here in parliament and out on the hustings the socialists criticize just about everything the wheat board does.

Mr. Nicholson: What, for example?

Mr. Thatcher: They say that selling policies are ineffective, that the allocation of quotas at delivery points are unfair.

Mr. Nicholson: What about cash advances?

Mr. Thatcher: The board members said they did not want advances. The socialists

say we should have them. They say the wheat board are subservient to the government.

Mr. McCullough (Moose Mountain): Mr. Speaker, I should like to ask the hon. member a question.

Mr. Thatcher: Certainly.

Mr. McCullough (Moose Mountain): Does the hon. member agree that the quotas that apply on box cars at individual loading points have been fair to the prairie province producers?

Mr. Thatcher: I say that the quotas at delivery points have not been all the farmers might wish. But I also say the Canadian wheat board, when all circumstances are considered, has done the best possible job it could.

Mr. Speaker, I would be the last one in the world to say that the prairie farmer has not laboured under great difficulty in these past few years. Of course it is disheartening and discouraging to grow one bumper crop after another and find it possible to sell only a portion of it. But I also say that the lot of the farmer is not made easier in Saskatchewan by the socialist members who since 1945 have acted in this house as professional cry-babies.

Mr. Nicholson: You are including yourself.

Mr. Thatcher: They have wept copious tears. They have cried blue ruin. They have preached gloom. They have prophesied disaster, and time and again they have forecast a complete collapse of world wheat markets. All through Saskatchewan they have tried to stir up trouble by exaggerations and statements which frequently border on untruths. For example, here is one statement which the hon. member for Assiniboia made when speaking at the convention of the hon. member for Mackenzie, and I quote dispatches from the Regina *Leader-Post* which I presume the hon. member for Assiniboia himself sent in:

> Mr. Argue emphasized that at the present time the farmers . . . are in as serious a condition as they were in the thirties.

Mr. Speaker, in the thirties wheat was selling at as low as 20 cents a bushel; eggs were selling for as little as 5 cents a dozen; the price of cattle was as low as $10 a head. People in those days had to depend on eastern Canada for charity, for their clothing and even for food. Yet the hon. member for Assiniboia says that conditions are as bad today as they were in the 1930's.

Mr. Nicholson: Today their share of the national income is less.

Mr. Thatcher: The people out in Saskatchewan have too much sense to believe that statement.

An hon. Member: Have you compared the farmers' income?

Mr. Thatcher: According to the dominion bureau of statistics, in 1931 cash income for Saskatchewan farm products was $74 million; in 1932 it was $80 million; in 1933 it was $80 million; in 1934 it was $96.5 million. Last year the cash income for Saskatchewan farm products was $592.7 million.

Mr. Johnson (Kindersley): That is a typical Liberal trick.

Mr. Thatcher: Yet the hon. member for Assiniboia says the farmers are as badly off as they were in the thirties.

Mr. Johnson (Kindersley): Give the net farm income.

Mr. Thatcher: Mr. Speaker, there is no one so blind as he who refuses to see. I am not going to try to tell this house that the prairie farmer is satisfied with everything the Canadian wheat board does. He is not. However, I am going to say this. The Saskatchewan farmer is a rugged individualist who is fiercely independent in his way of life. He is proud of his province; he is proud of his country, and he is proud of his own accomplishments in farming since 1945. He wants every dollar that is fairly and justly coming to him. Above all he does not want to be pushed around by the more populous provinces. But despite the wailings and snivellings of the C.C.F. here in this house he wants no charity or hand-outs from any one. In talking about wheat selling policies, I say that many of these socialists have taken an attitude that has harmed the producer instead of helping him.

Mr. Nicholson: Nonsense.

Mr. Thatcher: By their talk in parliament, by their complete lack of financial responsibility, by their lack of any constructive suggestions, the socialists have injured the prestige and welfare of the province of Saskatchewan. Mr. Speaker, they have cried "Wolf" so often that when one of them gets to his feet hon. members from other parts of Canada are immediately suspicious and automatically hostile.

It may be that some westerners think that I am exaggerating when I make that statement. Here is a quotation from *Hansard* showing what happened in debate on March 13, 1956. As reported at page 2100 the hon. member for Grey North (Mr. Bennett), who was then speaking, had this to say:

> I should like to say this to the C.C.F. group. I came down here prepared and anxious to help the

western farmer. After hearing all the repetitious debates that took place here, I was reluctant to vote for those bills. I think the western farmer has not had the kind of representation here that he deserves.

From the 12 years I have spent in this parliament, Mr. Speaker, I am absolutely convinced that the western farmer will get more by a spirit of reasonableness and co-operation on the part of members representing him than he will by the constant stream of abuse and vituperation that comes from the socialist group.

Mr. Nicholson: Why did you not give the farmers of Moose Jaw-Lake Centre a chance to express their opinion?

Mr. Thatcher: The Canadian wheat board is responsible for selling the nation's wheat. The socialists from Saskatchewan usually lack the courage to come out directly and attack the wheat board. Instead, they go after the government, saying that in actual fact it is responsible for its policy. I pose this question to the house today. Could the socialist members from Saskatchewan do any better than the government or the wheat board are doing in selling this billion bushels of wheat? I submit that they could not, if we are to judge from their experiences in other fields. Surely there is no better way in which to judge an individual or a political group than by their accomplishments. I do not pay so much attention to talk and words as I do to the past record. What are the accomplishments of the socialists in the field of selling? Out in Saskatchewan, Mr. Speaker, back in 1945 the provincial C.C.F. government embarked on a number of crown corporations.

Mr. Nicholson: Mr. Speaker, I rise on a point of order.

An hon. Member: Sit down and take it.

Mr. Nicholson: On a point of order, Mr. Speaker, may I say that—

Mr. Sinclair: The brick plant.

Mr. Nicholson: —last year, the hon. member discussed crown corporations in the pipeline debate and the Liberals refused me an opportunity to reply. I submit that the hon. member should not be allowed to discuss Saskatchewan crown corporations at this time unless ample opportunity is given to put forward the other side of the question.

Mr. Thatcher: On the point of order, Mr. Speaker, I do not blame the hon. member for Mackenzie for not wanting that record put on *Hansard*, but may I submit—

Some hon. Members: Oh, oh.

[Mr. Thatcher.]

Mr. Thatcher: —here are our socialist friends coming into this parliament and saying that the wheat board does not know anything about selling a billion bushel wheat surplus. I want to put on *Hansard* two or three illustrations of the socialist selling record in Saskatchewan.

Mr. Nicholson: On the point of order, Mr. Speaker,—

An hon. Member: We do not want to hear it.

Mr. Nicholson: —I want to hear from the Speaker as to whether or not a discussion of crown corporations in Saskatchewan is in order on this bill?

The Acting Speaker (Mr. Applewhaite): The debate we have had this afternoon, from start to finish, has ranged far afield. Shortly before five o'clock I was in considerable difficulty as to whether or not I should not then have intervened because of references—I do not remember them exactly—to aeroplane production, the cost of the D.E.W. line and so forth. In an honest effort to rule always in favour of whoever had the floor, I considered that references to other things—this happened to be a reference to a series of matters which had come under the control of the minister who was responsible for this bill—were getting us far afield from the wheat board, but I think perhaps the references were fair. If the hon. member who has the floor now proposes to make certain references to show that those who oppose the bill have, by a similar line of action, indicated their ability or inability to take wise action, I do not think I should stop that either. But I have no intention of permitting the hon. member for Moose Jaw-Lake Centre to go farther than to make the same type of reference or listing of what he considers comparable matters as has been done in previous speeches made in this debate.

I believe the house will agree with me that it has been the desire of the house this afternoon that matters directly and indirectly affecting the wheat board should be discussed under this bill. One could, of course, have made a very narrow ruling that nothing could be discussed except shall or shall not the wheat board be extended and if so, shall it be for a period of five years. I do not believe it was the sense of the house that this should be the ruling, but I shall continue to endeavour to keep members within what I think is the general ambit of the subject under debate, having gone as it has gone so far. I do not think comparable references should be ruled out all of a sudden, when they have been permitted in the last two or three speeches.

Mr. Thatcher: Thank you, Mr. Speaker. I wanted to endeavour to explain to the house how unsuccessful the socialists have been in selling other products out in the province of Saskatchewan, so we can then judge their ability to sell a billion bushels of wheat in the most competitive market in the world.

An hon. Member: You did that in the pipeline debate last year.

Mr. Thatcher: I shall only give a few examples for purposes of comparison. In 1945 they set up a leather tannery. We certainly had lots of hides out in Saskatchewan, and the crown company was able to turn out a large amount of leather. Unfortunately they did not have salesmen who could sell this leather effectively in the country's markets, so the company folded. They started a shoe factory in the city of Regina and manufactured thousands and thousands of pairs of shoes. Unfortunately again, apparently they did not have salesmen who could sell those shoes in competition with other companies. This company was also forced to close its doors.

Out in my own city of Moose Jaw they set up a woollen mill. The woollen mill operated fairly actively for a while and turned out a great many woollen goods. They did not have the salesmen who could sell these goods competitively and were forced to close. I could go on for quite some time in listing these illustrations—

Mr. Nicholson: What did you say about the closing of the woollen mill at that time?

Mr. Thatcher: —but I suppose that someone could take exception. I do want to say this in summing up, Mr. Speaker, that in the province of Saskatchewan, out of all the crown corporations that were set up, and which had to compete with private interprise, there was not one that had good enough salesmen, to be able to compete effectively without losing substantial sums of the taxpayers' money, or close their doors entirely.

Mr. Nicholson: That is not true, and you know it.

Mr. Thatcher: The great majority of the crown corporations have some kind of monopoly or some kind of special privilege. But even where they have arbitrarily taken special privileges, their salesmen have not been able to compete efficiently. I mention the field of gas. A complete monopoly is what those salesmen have, yet the price they charge for gas in Saskatchewan is more than double the price of gas under private enterprise in our sister province of Alberta.

Most socialists have had very little to do with the business world; most of them are not very well acquainted with commerce. There have been one or two notable exceptions. For example, several years ago our premier and provincial treasurer went into the drive-in theatre business. The theatre went pretty well for a while, but then suddenly it folded. Today it stands empty and desolate, a monument to the failure of the premier and his chief lieutenant to sell the people of Regina on the merits of their particular enterprise.

Mr. Studer: They cannot even entertain the people.

Mr. Thatcher: I say that the record of socialist salesmanship in Saskatchewan is a record of ineptitude, inefficiency and bungling. Yet these socialists today have the audacity to say something like this in parliament: It is true that we could not sell blankets or textiles out in Saskatchewan; it is a fact that we could not sell hides or shoes; it is true that in the middle of the greatest construction boom Canada has ever had we are having some considerable difficulty in selling our bricks; it is a fact we could not sell timber, gas, fish, or furs without a monopoly, and it is also true—

Mr. Nicholson: Nonsense.

Mr. Thatcher: —we need certain special privileges to sell our insurance. As a matter of fact, it is true that out in Saskatchewan we could not sell anything efficiently. But let no one be worried. By national planning and socialist theories, we could sell a billion bushels of wheat overnight.

An hon. Member: You are going to have trouble selling yourself.

Mr. Thatcher: Socialist planning means that the provincial government usually takes some teacher or preacher or someone who knows nothing about business, and puts him in charge of an enterprise. These socialists today are telling us in effect that men like McNamara, McIvor, Riddel, C. D. Howe and James G. Gardiner do not know anything about selling wheat. But, they say, let us be the salesmen and we would get rid of a billion bushels of wheat. I would say that the practical farmer in Saskatchewan has far too much sense to listen to such nonsense.

Mr. Nicholson: Why don't you tell that to the farmers in Moose Jaw-Lake Centre?

Mr. Thatcher: During the past few months I have had many farmers come into my office to tell me about their problems in connection with wheat.

Mr. Nicholson: From Moose Jaw-Lake Centre?

Mr. Thatcher: Yes. I told you once before that experience is a great teacher, and it is an extremely foolish man who will not learn from experience. I, fortunately, learned a little, but my hon. friend did not.

Most of these farmers, when they come into my office, talk about wheat. I ask them, if they were the Prime Minister, what they could do about the surpluses, or what solution they might suggest. They are usually frank enough to admit that they have no over-all solution to offer. The reason they have not is rather obvious. Today, regardless of what any member in this house says, there is not an easy solution or a pat answer or a magic formula.

What are some of the proposals which have been put forward over the past four or five years by our socialists? Most of them, I suggest, are little more than economic nonsense. We heard some of them this afternoon. The first suggestion, made year after year, is that Canada should give away the wheat surplus. The hon. member for Assiniboia has been particularly vociferous in putting forward that suggestion. I suggest to you that if the government had followed that proposal from the time it was first made, a number of years ago, the taxpayers today would be several billion dollars poorer. I am constantly amazed at the willingness of my former socialist colleagues to give away money which belongs to someone else, or give away assets which belong to others. They are never so generous with their own possessions.

Mr. Knowles: We gave you away.

Mr. Thatcher: Frankly, I feel that Canada should not hesitate to make gifts of wheat to the starving countries of the world. We are doing that under the Colombo plan; but to suggest sincerely that we should take several billions of dollars, put it into wheat and give that wheat away, I do not think is practical. Surely federal representatives in this house should be just as responsible in spending the taxpayers' money as they are in spending their own. I do not think there is one socialist in the house who would dream of spending his own money in that reckless manner, including the hon. member for Assiniboia. I suggest that if the hon. member for Assiniboia does feel that the Christian and humanitarian thing for Canada to do is to give away our wheat, he should set the example and give his own crop away. It is easy, Mr. Speaker, to be generous with someone else's money.

The second suggestion which has been made frequently by the socialists is that the government and the wheat board should take sterling in return for wheat. Well, that suggestion may sound plausible, but actually it is not much more practical than their first scheme. Out in Saskatoon, about a year and three months ago, the British trade commissioner was invited to speak to a farm union meeting. One of the delegates rose and asked this question:

> If Canada would take sterling would we sell any more wheat to Great Britain?

According to the report of the meeting appearing in the Regina *Leader-Post* of December 2, 1955, Mr. Bowen made this flat reply:

> Britain would not purchase a bushel more if sterling were accepted in payment by Canada.

I think the trade commissioner's statement indicates the value of that socialist suggestion.

Well, now, socialists say in parliament and they say around the country that we should accept local currency in payment for wheat. What this really means, of course, is that we should sell our wheat at a discount, because if the local currency is as good as dollars then there is no difficulty in selling for dollars. If the local currency is not as good as dollars then, in fact, the wheat is being sold at a discount. Personally I doubt whether the western farmer would welcome a lower price for wheat than he is getting at the present time, yet that would inevitably happen unless the federal treasury were prepared to make up the difference by subsidy.

Another favourite proposition put forth by socialist members is that we should barter our wheat. I notice that whenever they talk in this manner they talk in generalities; they are never specific. I have nothing against barter when somebody comes forward with a sensible proposition, but so far no socialist has done that.

Mr. McCullough (Moose Mountain): The hon. member knows no more about wheat than he knows about Mae West.

Mr. Thatcher: The socialists are never specific as to what countries want to barter with us, nor about the goods we can get in return for our wheat. If they were specific about barter the western farmers would realize that it would have the same effect on the wheat surplus as a pail of water taken from the Saskatchewan river would have in lowering its level.

The fourth suggestion put forward by socialists from time to time—I cite the speech of the hon. member for Assiniboia on May 17, 1955—is that the government should provide a school lunch program to take care of further agricultural surpluses. Well, I am not going into the merits or demerits of that

plan, except to say that a school lunch program would have the same effect on our wheat surplus as a workman would have trying to dig the St. Lawrence seaway with a teaspoon.

The fifth suggestion that has come again from the hon. member for Assiniboia is that there should be a march on Ottawa. Well, I say that a march on Ottawa at this time would be the work of a few professional socialist agitators organized for the sole purpose of trying to make political capital out of the farmers' difficulties. I believe that members in this house of all political parties, even the socialist group, want the farmer to be treated fairly and justly. I do not think they have to be pressured into giving him fair treatment by a march like the socialists have suggested. I say that C.C.F. members from their leader down to their remotest backbencher have so far offered no real solution for our wheat surplus problem.

I listened to the socialist members speak this afternoon. I hoped they would tell us how they would sell more wheat than is already being sold. Not one sensible, concrete suggestion was put forward.

I conclude by quoting a Canadian Press dispatch from Winnipeg, and again it is Mr. Wesson speaking:

> The Canadian wheat board averted a possible international economic crisis and saved the situation for the farmer, John Wesson, president of the Saskatchewan wheat pool, told the western agricultural conference here.

I think these words of Mr. Wesson justify Liberal marketing policy in western Canada, and most effectively answer the criticisms which have come from the socialists today.

I support with enthusiasm the legislation which is now before us, Mr. Speaker, and I want to tell my hon. friends from Saskatchewan on the opposition benches that there are some members in this house who are not keen about the wheat board because they are a little bit afraid it may be a socialist measure. The criticism and unceasing opposition of socialists to the wheat board may result in a situation like this, one of these days. Eastern members are going to say, "All right, fellows, if the wheat board is so bad let us scrap it". That is the situation which these members may provoke. I suggest, whether deliberately or otherwise, they are time and again indirectly sabotaging the Canadian wheat board by irresponsible talk. Today the Liberal government is doing the best possible job under difficult circumstances.

Mr. Nicholson: Will the hon. member permit a question before he resumes his seat? Will he suggest some ways of moving more wheat to give the wheat farmers a fairer share of the national income?

Mr. Thatcher: Mr. Speaker, I thought I was very clear in what I said. I believe there is no magic formula. There is no easy answer to this problem; but I do say that the wheat board and the Liberal party are doing their best under difficult world circumstances. They are trying to get the best possible price for the western producer.

Mr. Knight: I would like to ask the hon. member a question. I do not think he was quite fair in his allusion to the shoe factory and the woollen factory. He is a businessman. Does he consider that private enterprise in the same sort of thing, shoes or woollens, could have succeeded in Saskatchewan? Second, does he not know that these tiny little industries, which have been magnified in the east where, when you talk about a shoe factory, you talk about something big—

Mr. Habel: Who tried it? The C.C.F.

Mr. Knight: My question is this. Does he not know that these little factories were simply built at the time of a terrible depression so we would have shoes and wool for our people, if they were necessary? Is it fair for him to say that these things failed in Saskatchewan because of socialist policies? Could these industries ever have succeeded under private enterprise in the province of Saskatchewan?

Mr. Thatcher: Well, Mr. Speaker, there was a time when I believed that socialist enterprises were necessary and desirable for my province, but after 10 years' experience I saw the way they operated and most of them went broke. There is quite a difference when a socialist company goes bankrupt and when a private enterprise company goes bankrupt. When a socialist company closes it is the taxpayers' money that has been lost, and millions have been lost in that manner in Saskatchewan. When a private enterprise company closes, the only people who lose are the shareholders.

Mr. Knight: I wish the hon. member would answer my question. Does he consider that private enterprise on a woollen mill or shoe factory, having regard to business and supply under the circumstances, could have operated successfully in the city of Moose Jaw?

Mr. Hosking: Should we trust that kind of government to sell wheat?

Mr. Thatcher: If a private company had closed, the only people who would have lost would have been the shareholders. I do not see any relevancy to that question.

Canadian Wheat Board Act

Mr. Smith (Battle River-Camrose): Mr. Speaker, I would like to ask the previous speaker a question. I take it from his remarks that he questions the advisability of an organized march on Ottawa. I would like to know if he would advise the permanent lobby which the farmers' union of Alberta have established down here at the present time.

Mr. Thatcher: I would say that I think every hon. member in this house regardless of his politics is sympathetic to the difficulties of the farmers, and I do not believe a march on Ottawa at this time is needed or desirable.

Some hon. Members: Oh, oh.

Mr. Smith (Battle River-Camrose): A supplementary question, if I may.

Mr. Hosking: We are not in committee.

Mr. Smith (Battle River-Camrose): Why are not the farmers of western Canada right in sending down to Ottawa members of their own organizations to present to all members of parliament the position they are in in western Canada?

Mr. Thatcher: I did not object to that. I objected to a march on Ottawa.

Mr. Smith (Battle River-Camrose): Well, Mr. Speaker, the hon. member—

Some hon. Members: Sit down.

Mr. Speaker: Order. After this bill has been given second reading the house will resolve itself into committee of the whole, at which time hon. members can ask each other questions. The hon. member for New Westminster.

Mr. Hahn: Mr. Speaker, in view of the hour I wonder if I could call it six o'clock?

Some hon. Members: No.

Mr. McCullough (Moose Mountain): Mr. Speaker,—

Mr. Speaker: Order. It appears that we do not have unanimous consent.

Some hon. Members: Agreed.

Mr. Speaker: Is it agreed that we call it six o'clock?

Some hon. Members: Agreed.

Mr. Speaker: The opposition has capsized in this regard.

Mr. Knowles: You mean the opposition on the government side.

Mr. Speaker: I said the opposition in this regard.

On motion of Mr. Hahn the debate was adjourned.

Mr. Knowles: Could the minister tell us the business for Tuesday?

Mr. Fulton: Wait till Monday.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, if it would appear likely that this bill would not be debated at any great length we might go ahead with it first; otherwise we will take the Canada Council and then the wheat board bill.

Mr. Knowles: How does the minister expect to find out?

Mr. Pickersgill: Through the usual channels.

Mr. Harris: I express these things in public, sir, in the hope that in private I can obtain some assurances, but I do this out of a life-long feeling of optimism which is hardly ever matched by the circumstances.

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

ANSWERS TO QUESTIONS

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

OLD AGE PENSION COSTS

Question No. 37—**Mr. Boivin:**

1. What is the actual cost of old age pension paid entirely by the federal government without means test, for pensioners over 70?
2. What would be the cost of such pension if the age limit was reduced from 70 to 65 years of age?
3. What is the amount of the contribution actually paid by the federal government to old age pensioners between the ages of 65 and 70?
4. What would be the amount of the said contribution if such pension were paid to pensioners of 60 to 65 years of age?

Answer by: **Hon. Paul Martin (Minister of National Health and Welfare):**

1. Estimated cost for complete year 1956-57 —$379,375,000.

2. Estimated cost for complete year 1957-58 —$608,000,000, less $21,100,000 which represents the estimated federal share for 1957-58 of payments under the Old Age Assistance Act.

3. Estimated cost of the federal share of old age assistance for complete year 1956-57 —$20,500,000.

Questions

4. The cost to the federal government of paying old age assistance to persons 60 to 64 years of age would depend on a number of factors which could vary considerably from those which apply to persons 65 to 69 years of age. A great deal would depend on the requirements of eligibility to be applied, particularly the means test. Presumably a larger proportion of persons 60 to 64 would be employable. The extent to which persons in this age group who were in need of assistance would be assisted by unemployment insurance and unemployment assistance would have an important bearing on the number applying for old age assistance. With so many unpredictable factors it would be difficult to estimate with any degree of accuracy the cost to the federal government of paying old age assistance to persons 60 to 64 years of age.

BUTTER AND CHEESE EXPORTS

Question No. 71—**Mr. Cardiff:**

1. How much (a) butter; (b) cheese, was exported from Canada in 1956?
2. To what countries?
3. What was the price to each country?

Answer by: **Mr. Dickey, Parliamentary Assistant, for the Minister of Trade and Commerce:**

1, 2 and 3. Canadian exports of butter and cheese, by countries, during the calendar year 1956, were as follows:

Item	Country	Cwt.	Value	Average unit price
			$	$
Butter (Item 2700)	United Kingdom	6	325	54.17
	Dominican Republic	2	90	45.00
	St. Pierre and Miquelon	1,295	80,490	62.15
	Alaska	1	35	35.00
	Germany East	19,843	743,012	37.44
	United States	7	465	66.43
	Totals	21,154	824,417	38.97
Cheese, cheddar (Item 2711)	United Kingdom	108,578	3,670,309	33.80
	Bermuda	286	10,843	37.91
	British Honduras	26	896	34.46
	Barbados	47	1,912	40.68
	Jamaica	15	614	40.93
	Trinidad and Tobago	6	307	51.17
	Bahamas	404	17,805	44.07
	Leeward and Windward Islands	202	8,933	44.22
	Belgium	1,156	39,773	34.41
	Netherlands Antilles	1	35	35.00
	Venezuela	6	316	52.67
	United States	4,010	163,933	40.88
	Totals	114,737	3,915,676	34.13

Item	Country	Cwt.	Value	Average unit price
			$	$
Cheese, n.o.p. (Item 2712)	United Kingdom	204	6,750	33.09
	Bermuda	117	4,552	38.91
	British Guiana	282	8,422	29.87
	British Honduras	209	6,496	31.08
	Barbados	203	8,914	43.91
	Jamaica	1,587	53,392	33.64
	Trinidad and Tobago	484	20,113	41.56
	Bahamas	78	3,407	43.68
	Leeward and Windward Islands	396	12,799	32.32
	Belgium	206	10,462	50.79
	St. Pierre and Miquelon	2	75	37.50
	Guatemala	9	390	43.33
	Haiti	83	3,012	36.29
	Honduras	5	195	39.00
	Mexico	19	612	32.21
	Netherlands Antilles	6	307	51·17
	Peru	10	553	55.30
	Venezuela	63	2,967	47.10
	Lebanon	1	68	68.00
	United States	3,463	118,981	34.36
	Totals	7,427	262,467	35.34

[The following item was passed in committee of supply]:

DEPARTMENT OF EXTERNAL AFFAIRS

Loans, investments and advances—

External affairs—

545. Loan to the United Nations Organization to help finance the clearing of the Suez canal, $1,000,000.

HOUSE OF COMMONS

Monday, February 4, 1957

The house met at 2.30 p.m.

HEALTH INSURANCE

TABLING OF CORRESPONDENCE BETWEEN FEDERAL AND ONTARIO GOVERNMENTS

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, on January 29 last the hon. member for Winnipeg North Centre asked my colleague, the Minister of National Health and Welfare, to table the correspondence between the federal government and the government of the province of Ontario regarding hospital insurance. I wish to let the house know that copies of this correspondence, in English and in French, will be deposited with the Clerk of the house at three o'clock this afternoon, this to coincide with the time when the correspondence will be made public by the premier of Ontario in the legislature of that province.

EXPORT CREDITS INSURANCE ACT

PROVISIONS RESPECTING ADDITIONAL INSURANCE FACILITIES AND RESERVES

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved for leave to introduce Bill No. 46, to amend the Export Credits Insurance Act.

Mr. Green: Could we have an explanation?

Mr. Howe (Port Arthur): Mr. Speaker, the purpose of this bill is to amend the Export Credits Insurance Act in two ways: First, to authorize the corporation to provide insurance for certain transactions for which there has been a considerable demand of late and, second, to allow the corporation to set up reserves for possible losses in calculating taxable income.

Motion agreed to and bill read the first time.

HEALTH AND WELFARE

PROPOSED REQUIREMENT OF DEVICE TO RENDER HARMLESS POISONOUS GASES EMITTED BY ENGINES

Mr. J. A. Charlton (Brant-Haldimand) moved:

That, in the opinion of this house, the government should consider the advisability of taking steps to further protect the health of the nation by making the necessary amendments under the Criminal Code, to provide penalties against owners or operators of all diesel-powered vehicles or railway engines for failure to equip said vehicles with some suitable device to render harmless, poisonous gases emitted from the exhaust of such vehicles or engines.

He said: Mr. Speaker, I move this resolution because I feel that diesel and gasoline fumes are a definite menace to the health of the nation, especially so in districts of concentrated population. This is the third time I have had this resolution on the order paper. Its wording is changed somewhat from that of last year because of the fact that the government felt—and as I admitted myself at the start of the debate—that the matter would come more rightly under provincial jurisdiction. However, afterwards I was told that it is definitely under the jurisdiction of this federal authority. It is my sincere hope that through the discussion of this resolution we may bring about a general awareness of the dangers we encounter in the air we breathe.

Canadians have fought hard for the pure food laws that guarantee that our food is not contaminated. We have organized and paid for expensive water systems that assure us of a plentiful supply of pure water. There have been heated debates on the question of whether our drinking water should be fluoridated to prevent tooth decay. But until quite recently practically nothing has been done about the air we breathe. It was brought out forcibly by the hon. member for Vancouver South (Mr. Philpott) last year in this debate how important to the human body is the air we breathe. While a person can do without food—and I am quoting his words—for three weeks and can do without water for approximately three days, he can do without air for only approximately three minutes. In some parts of England the cause, effect and cure of smoke pollution is now a high school subject and radio and television programs have aroused the public with regard to smoke prevention. This is a lead which should be followed elsewhere because not until everyone is his own smoke inspector will city air be fit to breathe. Although this resolution deals specifically with diesel fumes, I should like to discuss for a few minutes the possible effects of high concentration of exhaust fumes from gasoline-burning engines.

It is a well known fact that the mileage per gallon of gasoline decreases considerably in stop and go city traffic. At cruising speed

about 250 parts per million of the total exhaust is unburned vapour. When a motor is idling it is two or three times that figure; but when you lift your foot off the accelerator and decelerate your motor, it goes up as high as 5,000 parts per million. That is the reason for its being in such high concentration in heavy city traffic. It is generally conceded that about 7 per cent of gasoline is unburned, and this figure could be increased to about 8 per cent or 9 per cent through further evaporation from the carburetor and fuel tank.

This problem is one which we must face in the near future as the number of motor vehicles increases in Canada, and the number is increasing very rapidly. Then, far more important, is the fact that deadly gases are emitted with the exhaust fumes. One of these gases is known as carbon monoxide, and with which the average motorist is only vaguely familiar. We may attribute this lack of familiarity to the fact that they cannot smell it, taste it, feel it or hear it. Yet, within a very few minutes, it is capable of reducing the mental functions of a driver to a point where the co-ordination of muscles and the ability to react properly in the operation of the vehicle is below even the minimum requirements for safety. Carbon monoxide in a concentration of .02 to .03 will cause headaches; from .04 to .07, unconsciousness; and from .08 to .1, death.

Unlike some poisons it does not allow the human to build immunity to it over a period of time. Repeated exposures, particularly to attacks of acute poisoning, result in increasing susceptibility to the gas and cause cumulative tissue damage. It might be well to pursue the theory that carbon monoxide is the cause of a great many accidents on our highways because it causes inefficiency in the driver. At some time or other all of us have experienced a condition of sleepiness while driving our car. We have also perceived odours from our own car and from cars in front of us. We have experienced headaches, dizziness and sometimes carsickness. Whenever any of these symptoms occur while you are driving, consider carbon monoxide.

I have an article here put out by the motor vehicle research and written by Arthur J. White, who is the director of that research board, on carbon monoxide. The article is headed, "I'm just a steering wheel," and I think it is appropriate to quote it at this time.

> I'm just a wheel. A steering wheel. And you're my captain. Behind me you're the lord and master of a miracle. You can make me take the kids to school. You can turn me down the sunny road toward town. With me you can guide your goods to the market place . . . you can rush the sick to be healed . . . you can go in minutes to places hours away. You can do magic.
>
> Yet, in the blink of an eye, in the tick of your watch, I can turn deadly killer. I can snuff out the life of a kid still full of life—maybe your kid. I can twist a smile into tears. I can wreck and cripple and destroy. I can deal out death like the plague. And I'm no respecter of persons. A child, a grandmother, even you, my friend . . . it's all the same to me.
>
> I'm sensitive. I respond instantly to the hands you give me. Give me calm hands, steady hands, careful hands . . . and I'm your friend. But give me unsteady hands, fuzzy-minded hands, reckless hands . . . then I'm your enemy, a menace to the life, the happiness, the future of every person, every youngster riding, walking, playing.
>
> I was made for pleasure and usefulness. Keep me that way. I'm in your hands. I'm just a steering wheel and you're my captain. Behind me you're the lord and master of a miracle . . . or a tragedy. It's up to you.

Bear in mind that death from carbon monoxide is not restricted to tightly closed garages when the motor is running, but collapse can occur when cars are parked with their motors running or, in some cases, even while they are travelling along the highway. There have been many cases. Only this morning there appeared in the *Globe and Mail* a report of the death of two people in a motor car just north of Toronto. It is not an isolated case at all. Many of them come up every week. It is safe to assume that carbon monoxide has contributed a great deal to many accidents heretofore classed as unexplained. To substantiate this, the California highway patrol checked 1,007 automobiles while on the open highway and found that 30 cars contained concentrations of this gas in excess of the maximum safe limit. The conclusion of the survey showed that 3 per cent of the cars tested were found to have carbon monoxide in such quantities as would give a driver a headache or cause sleepiness, weakness, impaired judgment and decrease the driving ability over a period of several hours, and that no automobile, regardless of the age or anything else, is free from the possibility of carbon monoxide entering the driver or passenger compartment.

It behooves every motorist to have his car tested for complete exhaust system tightness, and to observe the rules of safety at all times to rule out as much as possible the dangers of this lethal gas that is an apparent part of our present day motoring.

In the same magazine article that I quoted a short time ago, Mr. Speaker, are contained some of the things that one should particularly take cognizance of if he is the owner of a motor vehicle. I quote:

> One excellent rule to follow in reference to the exhaust system of an automobile to prevent the possibility of its failure is to renew the muffler and tail pipe, with complete inspection of the

balance, at 35,000 miles or every two years of operation. The cost involved in this procedure is not excessive in any respect and will, without question, minimize the possibility of failure.

We must bear in mind that our automobile produces one and one-third gallons of water for every gallon of gasoline it consumes. This water has a direct effect upon the entire exhaust system, the same as water has effect upon iron or steel.

However, we have another agent coupled with this water, in the form of corrosive gases that accelerate the rotting and eroding of the entire exhaust system.

We must also bear in mind that the salts and calcium chlorides used on the road attack from the exterior the entire exhaust system that is exposed during normal driving.

All of us at some time or other may have inspected our fire wall in our engine compartment during the installation of some accessory. We have noted that the manufacturers have placed rubber grommets and rubber barriers between the driver's compartment and the engine compartment for two reasons. One, to reduce the possibility of any control wires and tubes causing excessive vibration and annoying sounds. Two, these have been placed there also to prevent any fumes from the engine compartment entering the driver's compartment.

It is not good safety pactice to drill any holes through this fire wall without making sufficient provisions for the prevention of entrance of exhaust gases or fumes of the engine.

Floor boards should be carefully inspected for breaks, erosion and the loss of knock-outs (placed in the floors of some cars in anticipation of the installation of a special accessory). Inspection should not be confined alone to the actual floor boards but under the seats should be inspected also for these conditions.

Inspection of weather stripping in the trunk compartment should also be taken into consideration and replaced if failure has occurred. The floor of the trunk should be inspected also for erosion, cracks, et cetera.

The foregoing may appear on the surface to be a great deal of trouble for the average motorist to go to in reference to his automobile. However, a simple question asked by the motorist of himself would give him the answer. "Whose health is involved and whose life is in danger?"

If that condition exists on the open highway, what is the situation in areas of highly concentrated traffic? Tests have been taken in those areas and on a busy street concentrations of .09 per cent have been found during a period of high temperature and humidity. Do not forget, Mr. Speaker, that just a few moments ago I quoted .09 per cent as the percentage which would cause death and a concentration of this percentage has been found in city streets during high traffic periods. No wonder the busy housewife often comes home from a shopping trip downtown with a splitting headache.

Unlike the gasoline engine the diesel operates normally with excess air. The fuel is injected into the cylinder and is ignited by virtue of the temperature and pressure in the cylinder rather than by a spark. The fuel used is heavier than gasoline and has a higher boiling range. Because of the excess air used very little of the fuel is normally exhausted unburned, unlike the gasoline motor. Under certain conditions of operation, however, both smoke and aldehydes are evolved. The latter are quite noticeable in high concentrations because of their pungent odour and eye-irritating characteristics. I am sure I do not need to describe this to any hon. member who has walked down the street in any large city where diesel busses are used because he will be quite aware of this fact if he has been at any time in the situation I referred to. It is concluded that the contribution of the various pollutants except hydrocarbons per barrel of fuel burned is two to ten times greater from diesel fuel than from gasoline. The odour and irritating effects of the exhaust gas of diesel engines are caused mainly by aldehydes that occur in varying amounts depending on several other factors such as the fuel, the air ratio at which the engine is operating, the design of the engine, the engine temperature and the condition of the fuel injection equipment or mechanism. If the exhaust gas contains a high concentration of aldehydes it is definitely irritating to the eyes and nasal passages. In fact, the irritating effect may be more noticeable than the odour if one is exposed to a high concentration of the exhaust gas. The most dangerous gas in diesel fumes both with regard to injury to health and the amount produced is the oxides of nitrogen which when inhaled form nitric and nitrous acids in the respiratory organs. Let us compare oxides of nitrogen with carbon monoxide, as far as toxicity is concerned. An atmosphere containing .5 to 1.0 per cent of carbon monoxide is likely to be fatal to human beings in less than 30 minutes of exposure, whereas as little as .07 per cent of oxides of nitrogen may cause fatality in the same length of time. In the case of carbon monoxide it is from .5 to 1 per cent and in the case of oxides of nitrogen it is .07 per cent. This is an indication of the danger to health from the exhaust gas of diesel motors in comparison with the exhaust from gasoline motors.

I have here some of the conclusions taken from a publication called "The Atmospheric Pollution Problem in Canada" written by Dr. Morris Katz of the defence research chemical laboratories, Ottawa. Under "health aspects" on page 6 it states this:

The acute effects of unrestricted air pollution on public health have been demonstrated unpleasantly but conclusively in three air pollution disasters—namely, the Meuse valley in Belgium 1930, Donora, Pa. 1948, and Poza Rica in Mexico 1950.

The chronic effects of air pollution are not so clearly defined. Nevertheless the frequent occurrence of eye irritation during smogs in the Los Angeles area and statistics on the increase in the death rate from respiratory disease during fogs in industrial communities in England represent evidence which cannot be ignored. In Canada, Barrett and Kay have considered the loss of sunshine and decrease in ultravoilet irradiation as

contributing factors in the occurrence of deficiency diseases such as rickets. However, some authorities claim that the chronic effects of air pollution have never been demonstrated conclusively.

The Donora report has stressed the significance of a synergistic effect in air pollution whereby the combined influence of a number of toxic contaminants occurring simultaneously may be far greater than the additive effect of individual contaminants. The health panel at the U.S. technical conference of May, 1950, concluded that pollution of the atmosphere is associated with a frequent and apparently increasing occurrence of acute and chronic diseases, involving especially the respiratory tract and the skin.

For several years now diesel engines have been used underground in mining operations of various kinds. It would not have been possible had they not devised an economical method of rendering these diesel fumes practically harmless to miners working underground in contact with these fumes. The equipment used is known to the trade as a scrubber. Briefly, it is an arrangement whereby the exhaust fumes are passed through an aqueous solution of sodium sulphite with a percentage of hydroquinone added. The cost of chemicals for operating this device is in the neighbourhood of 10 cents per working hour. The cost of the equipment is not unreasonable and I understand is presently available. With regard to this equipment, I have here a booklet entitled "Recent Developments in Atmospheric Pollution" by Dr. Katz again. This is report No. 148 which was published in May, 1954, and I quote:

Recent devices for protection and control in the Los Angeles area include a charcoal filtration unit for home air conditioning and a proposed filter and catalyst to remove aldehydes, carbon monoxide, oxides of nitrogen and other objectionable effluents from the exhaust gases of automobiles, busses and trucks.

Air pollution will be of increasing importance in planning of cities and industrial communities. Meteorological and topographical factors will be taken into account in community planning in relation to location of industrial and residential areas. Industry will be decentralized and, in certain areas, residences will not be allowed too close to certain types of heavy industrial operations. Industry will be protected against the unreasonable encroachment of residential developments and vice versa. Certain types of industry will be permitted to use only certain land areas based on the ability to control objectionable contamination. Zoning of areas will include more extended use of land for public parks, gardens and wooded areas to prevent overcrowding of sources of emission.

Most hon. members have followed behind a diesel truck or bus on the highway, but I will wager that they either passed it as soon as possible or slowed down to let it get far enough ahead so the fumes did not bother them. Most diesel trucks are now equipped with high exhaust pipes but I am doubtful just how much good such high exhaust pipes on these trucks are because unfortunately at high speeds the fumes come down over the back of the truck to car level and enter through the air vents in the front of most new cars. Most motorists realize that the air vents should be closed especially when following a diesel truck or any other truck on the highway or in areas of dense traffic, but how many people bother to do so until the odour becomes noticeable. That may be all right in the case of diesel fumes but remember that you cannot smell carbon monoxide.

It is not only motorists who are subjected to these fumes. Pedestrians on city streets where diesel buses are used get a substantial amount of such fumes every time a bus passes them. These fumes are quite noticeable also to passengers in buses, especially at stops when the doors are opened. Most passengers on diesel power trains have noticed the fumes when the air conditioning is turned on in their sleeping quarters. Almost everyone has noticed the irritating qualities of diesel fumes, but what do they do about it? They complain and grumble but accept it as part of present day living. This situation will be so accepted until public opinion is aroused to the point where governments are forced into action.

I could quote from many articles on this subject. I should like to refer first to the speech I made last year on January 30, as found at page 660 of *Hansard,* where some can be found, and I have others here to which I should like to refer. In the Ottawa *Journal* of June 9, 1956 a very interesting article appeared, one that was most heartening to me because it was headed, "New 'Fumes' Regulations Aimed at Diesel Trains." I will not read the whole article but at one point it has this to say:

Mr. Martin states: "At the request of the board of transport commissioners, a complete revision has been undertaken of the regulations and orders dealing with the control of atmospheric pollution from railroad operations of companies subject to the legislative authority of parliament."

Specifically, the department of health and welfare has drafted a revised order No. 18 for the board of transport. The draft has been sent to the railways to see what they think of it.

The principal amendments to order 18, circa 1908, will be the incorporation of restrictive regulations for the emission of diesel fumes. It is suggested too that the new regulations will apply to all of Canada, rather than Ontario only.

As I say, Mr. Speaker, that article was very heartening to me because it appeared shortly after the resolution had been before the house last year. On checking through the annual report of the Department of National Health and Welfare for the year ended March 31, 1956, I am discouraged by the amount of space given to this subject. There is not quite a page and no particular mention is made of diesel fumes. As a matter of fact, very little is said except with reference to industrial dusts. I agree that the department has done a considerable

amount of work in the Windsor-Detroit area for which Dr. Katz deserves a good deal of credit. I should like to refer to an article that appeared in the Ottawa *Journal* of January 19, 1955, headed, "Windsor Air Pollution Study May Help Fight Smoke, Smog." The article deals with an interview with Dr. Katz at the Seigniory Club, Quebec and reads in part as follows:

> The results of an intensive study of air pollution in the Detroit-Windsor area may be the means of improving and broadening the health programs of any city, Dr. Morris B. Katz of Ottawa said Tuesday.
>
> Under his direction, a five year investigation, first related to the smoke nuisance from great lakes vessels passing through the Detroit river, has been carried out.

Then further on:

> We are studying all toxic materials, whether from smoke pouring from the plants of industry or from exhausts of automobiles.

As I say, I commend the government for the work that is being done but I must say I do not think they are doing enough and are not doing it fast enough to cope with the problem that exists in Canada today in the large industrial areas. Here is another article that appeared in the Ottawa *Journal* of April 11, 1956. It is headed, "Polluted Air Boosts Lung Cancer", and is written by the United Press science editor, Delos Smith. It reads:

> The newest scientific contribution to the controversy over what is responsible for the remarkable rise in lung cancers makes an impressive case against the polluted atmospheres of industrialized cities, and lets cigarette smoking off the hook.

Further on there are these words:

> In New Zealand the white population came from one place, the British Isles, and so its members are similar in background and racial stock. The native born population is descended from Britishers who went there no earlier, for the most part, than a hundred years ago, which neatly eliminates another variable.
>
> David F. Eastcott, assistant director of the national health institute of New Zealand, began his study with the total of cancer deaths among white New Zealanders from 1949 through 1953. He divided these between whites who were native born and whites who had been immigrants.
>
> Now he had two sets of figures. He divided each set according to the site of the fatal cancer—stomach, lung, prostate grand, breast and so on. Then he was ready to compare the two sets. For no site except one was there a statistically significant difference in cancer incidence between native born New Zealanders and the immigrant New Zealander.
>
> The one exception was lung cancer. For all immigrants, the chances of dying of lung cancer were 30 per cent higher than for the native born. For immigrants who went to New Zealand when 30 years old or older, the chances were 75 per cent higher.
>
> "Moreover", added Eastcott in his report to the technical journal, the Lancet, "it is the same for women as for men and is consistent at all ages over 35 and for all the principal parts of the country."

Further on it reads:

> Eastcott was emphatic—for a statistician. "The conclusion follows that immigrants from Great Britain to New Zealand are affected by their former environment and that this effect is related to the length of exposure in that environment", he said. His findings were "in keeping with what is known of the mode of action of the carcinogens, cancer causing chemicals, isolated from the atmospheres of industrial cities."

There are many other articles from which I could quote but I do not want to take too much time. However, there is an editorial that appeared in the *Globe and Mail* of March 19, 1956. It refers to the committee on air pollution of the Ontario legislature and reads in part as follows:

> The committee on air pollution of the Ontario legislature reports that smoke and smog in their various forms cost the people of this province about $120 million a year—which is as much as they are currently spending on highways. The difference is that in the one case they have greater convenience to show for it. In the other, all they have to show is a series of inconveniences running all the way from dry cleaning bills to—probably—lung cancer.

I have articles and editorials from the Brantford *Expositor,* the Peterborough *Examiner* and many others which I could quote but I think that is unnecessary. There can be no doubt now that diesel fumes are a contributory factor in causing lung cancer. I would venture to suggest that there may be some connection between the increased incidence of heart conditions and the increase of carbon monoxide in the air. Many people are concerned about this problem as evidenced by the number of articles and editorials appearing in the press. The situation will become more serious with the terrific increase in the number of motor vehicles. I want to express my appreciation at this time to some of those who have assisted, encouraged me, and supplied material.

They include Gypsum Lime and Alabastine, Canada, Limited, at Caledonia; Mr. Hulme of the Brantford *Expositor*; Dr. Morris Katz, chairman of the Canadian section of the technical advisory board on air pollution; and Dr. O. H. Warwick, executive director of the National Cancer Institute of Canada.

I am sure that all hon. members in this house will realize the danger of this condition and I trust they will support this resolution.

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, under ordinary circumstances I would have waited until later on in the debate to participate but, for personal reasons, I must leave the house shortly. In view of the obvious relation between this motion and the Department of National Health and Welfare I thought that at this time I should say a few words as

indeed I did last year. A careful perusal of the resolution in the form in which it is now presented by the hon. gentleman I think will indicate that my colleague the Minister of Justice will have an interest in the matter as the resolution has been amended this year to provide that there should be necessary amendments under the Criminal Code to provide penalties against owners or operators of all diesel powered vehicles or railway engines for failure to equip such vehicles with some suitable device to render harmless, poison gases emitted from the exhaust of such vehicles or engines. The Minister of Justice will deal with this aspect of the problem but I should like to deal with those aspects which are of special concern to the Department of National Health and Welfare.

As I said last year, the resolution presented by the hon. gentleman serves to underline the increased attention which is now being given by health authorities to problems in the field of environmental health. As the hon. gentleman himself well knows, for many years now the Department of National Health and Welfare as well as provincial and local authorities have carried out measures to safeguard human health by ensuring the safety and purity of drinking water, foods, drugs and insecticides. As a matter of fact, the Food and Drugs Act is possibly the oldest continuing statute that comes under federal control and it deals with many aspects of the problems which have been included in the fields covered by the resolution presented by the hon. gentleman. As he himself has noted, more recently problems relating to the air we breathe have come under the surveillance of governments, both national and provincial and in some cases municipal; and in the case of the United States and Canada the matter has received some measure of international attention.

Air pollution, of course, has been an inevitable accompaniment of industrialization and the growth of our large cities. My hon. friend made reference to the work of Dr. Warwick, formerly director of the Canadian cancer institute. I do not know that I would be justified in drawing the conclusions that he has drawn but I can say that under the national health program funds have been put at the disposal of the national cancer institute and, through it, to the various medical centres in Canada to undertake research in respect of the matters from which he has drawn such strong deductions.

As he himself has pointed out, in the Detroit-Windsor area the Department of National Health and Welfare in co-operation with the Ontario department of health, the department of health of the city of Detroit and the board of health of the city of Windsor carried out one of the most extensive investigations into the relation between air pollution and human health ever undertaken anywhere. This was a study that lasted over a period of years. It represented pioneering efforts and the results of the study, which are now being carefully assessed, we trust will yield information of value to health departments everywhere. It may be that, as a result of the information which we acquire from this study that is now being undertaken in both countries, it will be possible for us to make certain assessments about the environment in which we live, particularly in industrial centres.

The subject matter of the resolution introduced by my hon. friend, however, relates to one aspect of the over-all problem of air pollution—what I have been saying has been in reference to general aspects of the whole problem of pollution—and this problem, I may assure my hon. friend, as he well knows, is the matter of considerable study and attention by the officers of the occupational health division of the Department of National Health and Welfare, who, in conjunction with experts in several universities in Canada, have been giving careful and devoted attention to this matter. There is no doubt that the operation of diesel engines in certain situations, especially in mining operations, in tunnels and in more or less confined spaces, represents a danger to health. The control of this hazard in such cases is usually achieved by the installation, as I indicated last year, of adequate ventilation facilities. In stationary type engines the exhaust gases must be removed by piping into appropriate exhaust gas ventilators or ducts for disposal of such fumes. It is possible that the operation of such vehicles or engines in the open atmosphere may constitute a hazard to public health in the areas of dense traffic and population. My hon. friend will be interested in knowing, if he is not already aware of the fact—and I am sure he is—that at Harvard University, considerable studies are being carried out in this general field.

This phase of the problem, in addition to what is being done at Harvard, is now, as I indicated last year, under intensive investigation in the Los Angeles area, and also by the automotive industry in both Canada and the United States. Last year I said it was under investigation only in the United States but since the matter was discussed here steps have been taken and the industry is now engaged in studies of this problem.

The waste products of internal combustion engines include unburnt fuel or hydrocarbons, carbon monoxide, aldehydes and oxides of nitrogen, as well as carbon, soot, tarry material and other products, including water vapour. I do not know whether my hon. friend mentioned water vapour but my technical officers advise me that that is the fact.

I am further advised that the theory has been put forward in the Los Angeles area that smog is formed to a major degree by the interaction of such hydrocarbon waste products with oxides of nitrogen in the presence of oxygen and sunlight. Such chemical interactions of pollutants may be related to eye irritations and other health effects that have been observed, and some crop damage sustained in the Los Angeles area.

My hon. friend, in this connection, spoke of cancer and I hesitate to speak too firmly on that aspect because conclusions will be drawn from what I say. However, researches that are being carried on carefully take into account the possibility, as was done in the case of other suggested provocations having to do with the alleged cause of lung cancer. It is known that in the immediate vicinity of diesel engine exhaust the concentration of aldehydes and oxides of nitrogen may be sufficient to produce considerable eye, nose and throat irritation; that is a known fact. The other is conjecture, and as my hon. friend nods, he will indicate that a conjecture is possibly more freely open to him than it is to me because of the technical advice which, as Minister of National Health and Welfare, I must act upon. But I do suggest it is important for us to realize that we can give false directions by drawing conclusions that may possibly be understandable but which, in the absence of control, it is best, certainly from my point of view, to leave to the research scientists.

Various control methods to meet the problem which my hon. friend properly mentions have been suggested, and suggested for the reduction of the toxicity of the various gases from internal combustion engines. These include systems for treating exhaust gases, such as catalytic exhaust converters, which we discussed last year, after-burners, absorbers, condensers and filters. Likewise, other proposals concern systems which modify engine operating conditions such as manifold vacuum control, deceleration fuel cut off, ignition timing control and recycling of exhaust gases and fuel injection.

I feel it is only right to point out that objectionable visible smoke and fumes may be reduced greatly by improved maintenance practices and here the municipality and industry itself have an opportunity to make a contribution to this important problem, a problem that is becoming increasingly important with the number of large cities that are being created in this country and with the increase in population of the cities now in being. In this connection my hon. friend will be interested, as I know the house will be, that there is under way an investigation by the automotive industry itself covering such proposals as a change in the design of cylinder combustion chambers, carburetors, and intake manifolds. The research centres of at least two of the large automobile companies are making very serious efforts to deal with this particular problem in their own factories, and are pooling their research, their evidence and their conclusions, with the people in my own department and with others who are likewise engaged in these problems in Canada.

It has been shown in both field and laboratory tests by the Los Angeles air pollution control district that approximately 7 per cent of all fuels used by automobiles are discharged unburnt into the atmosphere. Of course, this does constitute the greatest single source of hydrocarbon loss in that community, and I presume as well in other areas. The fact is that, notwithstanding the urgency, notwithstanding the importance of the problem, I am adviced by my officers that no success has yet been achieved in securing the development of a control device suitable for controlling the emission of exhaust gases from automobiles.

Mr. Charlton: That is from gasoline engines?

Mr. Martin: Yes. Now, in the case of diesel engines a limited amount of control has been achieved with the installation of exhaust gas absorbers which contain alkaline and other types of solution for the removal of aldehydes and oxides of nitrogen. Several companies in both this country and the United States, and I believe in the United Kingdom, are experimenting with what are called catalytic systems for more complete combustion of exhaust gases and also with various types of after-burners. But the fact is that this work is still in the experimental or developmental stage, and much more study and research will have to be continued before adequate means are available for the control of emissions from trucks, tractors, buses and other types of vehicles on highways and railways.

Apart from the abatement of smog and visible exhaust fumes by proper maintenance practices, the development of effective controls for exhaust gas and waste products is

contingent upon the success of studies now in progress. The air pollution study to which I directed the attention of the house a moment ago, I think, does serve as a pattern of what can be done, at least statistically to indicate the extent of this factor as a problem or as a causation in ill health. It may be that once the studies on the air pollution project have been completed, we will be in a better position to form certain deductions. But that remains to be seen. I have tried to hasten the conclusion of this study, but our scientists require that their work be done carefully. I have no doubt that when it is done it will prove to be a tremendous advantage, not only in a particular area but throughout the world.

I am not dealing with any of the legal aspects of this problem. These will be dealt with by the Minister of Justice. I would point out to my hon. friend, and I do this not because we are seeking to escape responsibility in a matter of this sort, because no one would want to take refuge behind the division of constitutional powers: if this is the way to do it and we have the power, well that is one thing. I assume that during the course of this discussion there will be some suggestion that this is the case. The Minister of Justice will have to deal with that aspect of the problem in the light of the division of powers provided under the British North America Act. Then, we will have to give consideration as to what is thought to be the most effective way of dealing with this problem, but I would not want to suggest that we are the only ones in Canada who are concerned in this problem.

On the research side I suppose, in terms of government and because of the special facilities we have in the Department of National Health and Welfare, we are perhaps well set up to give this proper attention. On the administrative side, however, it would be wrong for me to suggest that the only interested agency is the Department of National Health and Welfare. This problem is receiving careful consideration by the department of highways in Ontario, the government of Ontario and the Ontario legislature. My hon. friend will recall that the Ontario legislature set up a committee to deal with this very problem. I have had the opportunity of discussing this matter recently with that committee which I understand is about to make specific recommendations on this very matter to the Ontario legislature in current session. It may be that the information they will produce will prove to have a further clarifying and supporting value.

I should point out that since this resolution was discussed last year certain further steps were taken in addition to those that had already been enumerated by me when I spoke on the motion which my hon. friend had put forward. Since that time our department has acquired from the international joint commission additional assistance in the form of the services of an expert in the field of air pollution to further intensify our study and efforts in this particular field. In addition to that, officials of the Department of National Health and Welfare have been given the opportunity of rendering, I think, rather important advisory assistance to the board of transport commissioners in the revision of existing regulations governing atmospheric pollution from railway steam and diesel locomotives under various operating conditions.

As I said a moment ago, since we discussed this matter last the Ontario legislature has acted by setting up a committee of its members to investigate this whole problem; but all of these developments, positive as they are in character and encouraging as they are on that account, nevertheless do not alter the basic fact that we have not yet found an effective way of dealing with gases emitted by diesel engines and other vehicles. In spite of that fact, as my hon. friend knows, the department has for long been interested in this problem; our interest is centred in the work of the occupational health division of the Department of National Health and Welfare which was set up in 1946 specifically for this and related purposes. Therefore I can assure my hon. friend and the house that in so far as our department can we shall continue to keep fully abreast of all the developments in a field which we must assume, generally speaking, in the absence of full proof, could have and probably does have, a very great effect on the levels of public health. As long as there are these possibilities it must remain the continuing concern of departments of health, national and provincial, of organizations like the world health organization, to look upon this as one of the subjects which must engage their most vigorous attention.

Mr. Charlton: Will the minister permit one question? He says there is no way now of dealing with the diesels. How can he make that statement when it has been proven beyond any doubt that these diesel motors which are used under ground—it is true there is ventilation—with scrubbers have proved to be very satisfactory in taking from the fumes the harmful ingredients? That has been successful. Why cannot these same scrubbers be used above ground as well as under ground?

Mr. Martin: My hon. friend is assuming the validity of the premise which he has established. There can be, of course, only one answer to that. If the premise is right then of course it must follow, but I make two points. First of all, it has not been accepted as a scientific fact. Second, if it were so, there is the question of the power of the federal government at the present time to deal with matters of that sort. I have purposely kept away from the latter so that the Minister of Justice could deal with the constitutional and legal aspects.

Mr. Charlton: The United States department of mines say it is accepted.

Mr. Martin: We had the same thing last year.

Mr. G. W. McLeod (Okanagan-Revelstoke): Mr. Speaker, I rise to give my support to this resolution. It has taken in possibly a greater area and assumed a wider scope than I thought it would when I read it on the order paper.

Of course, this entire matter of air pollution is also very timely, and is occupying the brains of our best research men and women in different parts of the world. However, when I read this resolution I was thinking more of the mechanical side of it and mechanical attachments on motors in operation to protect the operators and the riders or occupants of cars, or those in the immediate vicinity of the motor at the time of operation.

The hon. member for Brant-Haldimand has covered so much territory and given so much information on this subject that I find it rather difficult to have very much to say. However, carbon monoxide in so far as motor cars and carriers are concerned is certainly recognized and described as the stealthy killer. It not just car operators who are concerned. Tractor operators on farms are subject to a certain amount of danger in the continuous breathing of air that has become polluted by slight traces, and in some cases heavier traces, of this deadly gas.

In the open air, of course—and this is where ventilation comes into the picture, of which we have heard so much in the last few minutes—the danger is not so great; but continuous emission of small amounts of this gas does have a harmful effect on tractor operators and others operating vehicles in the open air. The sad part of this, in so far as car operation is concerned, is that it is not just the operator who suffers. Every occupant of the car is faced with the same danger and the same injury as the driver himself or herself. This brings up, of course, the mechanical attachment which makes dangers from carbon monoxide of very little importance in the operation of cars. As a garage man and operator of some years' standing I have been greatly concerned about the carelessness of car operators and car owners when it comes to the matter of having mufflers on their cars in tip-top shape. We know that a muffler is not 100 per cent effective, and we know that plugging every hole in the fire wall and in the floor boards and making car bodies practically air tight are not effective, but at the same time, Mr. Speaker, it would go a long way in preventing the casualties that we continuously read of in the papers of this country.

I too, read the article in the *Globe and Mail* to which the hon. member for Brant-Haldimand referred, and it is certainly a tragedy.

It is a common occurrence and the part that particularly struck me was the last line or two of the article wherein it stated that the owner and operator of the motor vehicle took his car to a garage on Saturday. The garage was busy and the job had to be put off and arrangements made to have it done at a later date. The job referred to was the installation or repair of a muffler. Here we have a case where a man knew it was dangerous to drive his car and yet he said, as so many others say, "Oh well, I have driven it this way for a certain length of time and surely a few more days won't hurt", and so we read what happened on Saturday. He took the car out on the road and he and his lady friend paid the supreme penalty by asphyxiation due to his carelessness in not having the muffler repaired when he knew it was faulty. It is these things I am thinking of when I rise to say the few words I intend to contribute to this debate with regard to the need for the Minister of Justice to amend the Criminal Code in some manner whereby it will be considered an offense if any person operates a car which he knows is not completely equipped with the attachments that modern engineering has proven to be if not wholly at least in some measure effective. And so I would strongly add my plea to that of the hon. member who has just spoken. I realize that the Department of National Health and Welfare, together with other welfare and health organizations throughout the world, is taking a great interest in the study of the great problem of air pollution, but as I said I am going to confine my remarks to the smaller field of the operation of motor vehicles by individual owners and drivers.

In connection with garage work one can go a little further. It is not an uncommon thing to see a mechanic working on a car with the

motor running at full blast in a garage which provides little space for the workshop, the doors and windows closed and the deadly fumes escaping into the air. I must confess that on more than one occasion I have been guilty of this and my mechanics have also been guilty and I have personally suffered the headaches and discomforts which follow such exposure. Many of us will have had a similar experience and despite this we continue to take chances of that kind. In our garage as in most garages we have provided what is looked upon as a safety measure. We have long hoses to conduct the fumes from the exhaust of cars to the outside. We realize this will alleviate the possibility of danger to a large degree but that is something that should be made compulsory under the criminal law of Canada. That is one of the things I would think of in asking for amendments to the Criminal Code.

In the same vein those following in the wake of diesel cars on the highways are forced to breathe the fumes that are given off from these motors. This subject was carefully and widely covered by the previous speakers but I would like to point out that in cases of this kind we are forced to inhale the fumes from these diesel motors. As we all know, these fumes contain the residue of chemicals, particularly tar, to use its common name. Tar is not burnable and at the present time a controversy is raging as to the effect it has on stimulating the growth of cancer. It is rather generally admitted that tar is an irritant that will cause cancer. I am satisfied that today mechanical gadgets are available which in large measure can remove the harmful chemicals from exhaust fumes, and although they may not render their inhalation absolutely safe, in large part they remove the danger from exposure to noxious fumes.

We are well aware of the struggles the municipalities are having in order to make the air we breathe purer and we are aware of the smog menace in our coast cities. These dangers are being studied by authorities throughout the world. This forces upon us the realization that greater sums of money must be spent on research work in order to bring the matter of air pollution under control. I strongly endorse the recommendation that the Minister of Justice (Mr. Garson) bring in amendments with teeth whereby under the Criminal Code it will be compulsory for every operator of motor vehicle, whether it be diesel or the common gas combustion type, to apply to his vehicle all the features developed by mechanical engineering today and approved as being at least partially effective in obviating the danger of asphyxiation. I would also like to see an amendment made to the Criminal Code under which it would be necessary for garages to employ the regular type of ventilation hose wherever a car is operated in a closed space. Thank you, Mr. Speaker.

Mr. W. G. Blair (Lanark): Mr. Speaker, I wish to say a few words in support of the resolution presented by the hon. member for Brant-Haldimand (Mr. Charlton). I congratulate him on bringing this resolution before the house for a second time, and while it is true that our population in Canada is 16 million and we have many large open spaces, yet we are developing industrial areas where air pollution is constituting a problem. In congratulating the hon. member I wish to say that I consider he is doing some pioneer work in bringing this resolution before the house. Increased traffic and the development of industry are producing a condition where air pollution is becoming a menace and possibly jeopardizes health.

Mention has been made of an amendment to the Criminal Code, and in considering this matter one must remember that smog and smoke produced by industrial firms has usually been dealt with by municipalities under nuisance by-laws, but with the growth of population this is becoming increasingly important and more difficult to control. The traffic on the streets and highways in areas where the population has grown is steadily increasing, and some measure of control will ultimately have to be taken in order to deal with the matter. If the hon. member for Brant-Haldimand has done one thing, I believe he will be responsible for stimulating more research into the menace of noxious gases and smog and some research may be conducted into means whereby the problem can be dealt with effectively. I am not sure just how far medical research has been carried in the relation of cancer to air pollution.

One sure thing is that these conditions do not make for better health in the country. If there is a cause for the increase in lung cancer, research might very well be carried on into the conditions described by the hon. member for Brant-Haldimand. We are aware that cancer is caused by irritation and there is irritation present under these conditions.

I feel there is a field for research as described by the hon. gentleman. This matter should receive the careful consideration of the house and research should be carried on as suggested in an effort to find means whereby these obnoxious gases and smokes may be cleared out of the air. It is true that there are only 16 million people in this country with its vast area and these conditions do not

exist all over the country. However, there are concentrations of these obnoxious gases and smokes in certain areas, particularly industrial areas, which are causing trouble. There is no danger in other parts of the country because the concentration is not heavy enough to affect public health.

I am glad the hon. member for Okanagan-Revelstoke (Mr. McLeod) brought up the question of mufflers. Hardly a day passes, particularly during the winter season, but some person is killed by carbon monoxide poisoning due to a faulty exhaust pipe on the car. I think something should be done in connection with the sale of used cars to the public. Such cars should be checked thoroughly in order that this menace may be eliminated. Something should be done about it.

There should be a greater awareness on the part of the public of the danger of carbon monoxide poisoning. As I said, research will have to be carried out to find possible means of preventing these conditions, especially in the industrial areas of Canada. Research will have to be carried out to devise something that may be attached to engines in order that this may be stopped. If the hon. member for Brant-Haldimand has done nothing else today he has made us aware of the existing menace and the need for research into conditions that exist at the present time.

Mr. A. M. Campbell (The Battlefords): Mr. Speaker, while I am aware of the many dangers which have been pointed out by the hon. member who introduced this resolution I had hoped that during the course of his speech he would have indicated some method that might be adopted to remove the menace created by these gases. I should like to support the resolution but I do not see how I can, considering the way it is worded. I am ready to support the whole idea of doing something to protect the public against these gases. The resolution reads:

> That, in the opinion of this house, the government should consider the advisability of taking steps to further protect the health of the nation by making the necessary amendments under the Criminal Code, to provide penalties against owners or operators of all diesel powered vehicles or railway engines for failure to equip said vehicles with some suitable device to render harmless, poisonous gases emitted from the exhaust of such vehicles or engines.

The reference to some suitable device is what sticks me. If the hon. member had indicated that there was in existence a device which had the backing of scientific people as being suitable, then probably I could have supported the resolution; but for us in this House of Commons to ask the government to amend the Criminal Code so that people may be fined who are operating these vehicles unless they equip them with a suitable device is not only putting the cart before the horse, it is putting it so far ahead that we are really getting ahead of ourselves.

The whole problem needs research. Our research people should study the matter. As the Minister of National Health and Welfare (Mr. Martin) has said, this problem is being studied not only in this country but in other countries throughout the world. When our research people and scientists come up with a device which will do away with the menace created by these gases, then I submit will be the time to think about finding ways and means of making its use compulsory on all vehicles.

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, this resolution points out the importance of private members' resolutions, the importance of having a day set aside for the discussion of matters which sometimes do not fall within the scope of the federal legislature. While direct action cannot be taken in connection with many resolutions, they do have the effect of bringing matters before the public which perhaps do not seem to be of great importance but which do receive wide publicity when discussed in a legislature such as this and sometimes eventuate in some authority or other taking the initiative and doing something about it.

There is no doubt that air pollution is becoming a serious matter. In southern Ontario where industrialization has caused a great concentration of people with a tremendous use of machinery and motor vehicles the air is being seriously polluted. In Vancouver this year there was almost a three-week period during which the smog was so dense that almost 100 per cent of the air flights had to be cancelled or delayed for many hours.

I understand that the scientists have determined that while the waste effluents from internal combustion engines were not the entire cause of this smog, that there were other contributing factors such as a stratum of warm air, nevertheless the gases and smokes from diesel and automobile engines as well as furnaces did play a very great part in creating the condition. A thorough study must be made, and the sooner this is done the better it will be for the health of our people generally.

Of course this is one of the prices we must pay for progress. In the days of the horse and buggy the air was always more pure, but then again statistics show that the life expectancy in those days was much lower than it is today.

With the improvements in industrialization and general health care and with better food, life expectancy has been greatly increased. As time goes on we are undoubtedly going to face the possibility of air pollution from the effluent of atom-powered motors, engines, hydroelectric installations and so on, but even with such times approaching undoubtedly life expectancy will also increase with the general improvement in health standards, et cetera. The national health program will, of course, be fully effective by that time and will go a long way toward improving the health of the people of Canada. The hon. member for Macleod (Mr. Hansell) has referred to mufflers on automobiles.

Mr. Hansell: Okanagan-Revelstoke.

Mr. Byrne: The hon. member for Okanagan-Revelstoke (Mr. McLeod). It appeared to me he was under the impression that mufflers had some effect in purifying the exhaust from automobiles. Perhaps I am mistaken in my understanding of what he said. If so, a reading of his remarks in *Hansard* will indicate whether that is correct. At any rate, the purpose of a muffler on an automobile is simply to dissipate the irritating noises. The exhaust pipe is the important factor, and without mufflers I think that passengers in automobiles would be less likely to be disturbed by gases coming into the interiors of their cars. A muffler has no effect whatever in purifying the gases. Certainly mufflers, if any, on diesel engines are completely ineffective.

The fact that the exhaust pipe on a diesel-powered truck is in some cases pointed towards the sky and rises above the body of the truck in no way dissipates the gases. The vacuum immediately behind a large truck is so strong that it sucks the gases back on the roadway. One does not care to have the experience too often of following behind a large diesel truck. Normally the drivers of trucks are courteous and make every effort to let a passenger car pass. Generally speaking, however, they travel at the full limit allowed by the various provincial laws and therefore one often has to travel for many miles behind one of these large trucks.

This fact points up something I have felt to be somewhat improper about our whole transportation system. Large trucks travel for many hundreds, even thousands, of miles alongside rail lines and in most cases the railways can operate much more cheaply. A diesel locomotive with two units will cross the prairies hauling 100 or 125 40 or 50 ton cars. Each diesel truck has one motor, one or two men on the truck and carries not more than 20 to 40 tons of freight. It requires a great deal more motive power to carry the same amount of freight hauled by diesels on the steel rails where once the train is in motion very little extra power is required.

We are discussing suggested legislation to provide for the purification of exhaust gases, but there are other poisons we overlook which are absorbed by millions of Canadians every day, every hour and every minute. The hon. member for Fort William (Mr. McIvor) has introduced a resolution many times with regard to cigarette smoking. We just laugh off the warning that cigarettes or tobacco are injurious to our health. Some individuals smoke a package or two packages of cigarettes a day and in all probability do themselves much more serious harm than through breathing the fumes from a car, a diesel locomotive or a truck.

I think we have to keep these things in perspective, and the federal government particularly should not rush into amending the Criminal Code and putting in it provisions which we would find it impossible to administer and enforce. When the hon. member for The Battlefords (Mr. Campbell) was speaking I wondered whether he had in mind that in operating a diesel tractor on the wind-swept prairies it would be necessary to put something on the tractor to purify the air because, with the wind blowing, the air there is probably as pure as it can ever be and an installation such as suggested in the resolution would be completely unnecessary.

The resolution certainly has its merits and I would be disposed to support it if I felt that its implementation would mean that we would be able to administer the legislation.

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, I think that the hon. member for Brant-Haldimand is to be congratulated on having brought to the attention of the house a problem which while not too serious yet in most parts of Canada is becoming more and more serious in some, a problem with respect to which we here owe it to ourselves and to the nation to take steps beforehand so that by the time it reaches really serious proportions we will have worked out some solution to it. We are in the fortunate position, however, that there are many places on this and other continents where the problem is encountered to a very much more oppressive degree than in any part of Canada.

The hon. member who introduced the resolution I think was right when he said that our first task is to ask ourselves what the nature of the problem is. The problem

is really a question as to the degree of concentration of diesel and other automotive exhaust fumes which, if encountered in sufficient degree of concentration, will cause trouble.

In reference to this problem one point that I want to establish is this. One of the main purposes in consolidating the Canadian Criminal Code was to reach a condition under which Canadians would know they were not guilty of any crime at all unless it could be found within the confines of the code and that we should keep to a minimum the number of crimes defined in our Criminal Code.

I am one who profoundly believes that it is quite improper to cure a problem that is capable of any other kind of solution by passing a law and saying that from such and such a date a certain act shall be a crime. I think such procedure is improper because it is first of all wrong in principle, and because in most cases that method is an extremely clumsy way of curing the problem; and I cannot think of any case in which it would be more clumsy than it would be in the present case which we are debating. If the problem is a question of the degree of concentration of diesel or other automotive exhausts, then I suggest that there are varying degrees of concentration across Canada, and that in very few places in Canada will the degree of concentration be sufficiently intense to cause trouble. I suggest that it would give rise to a rather absurd situation if we should make it a crime under the Criminal Code, as has been suggested, for a man to drive a diesel truck across the prairies with the prairie winds blowing and where the degree of concentration of his exhaust is manifestly, on the face of it, quite incapable of causing any harm to anyone. If we were to consider the enormous variation of circumstances under which an offence of that character could be committed from British Columbia through to Newfoundland I think we would find that in perhaps 99 per cent of the environments in which the problem of harmful exhaust gas could arise at all, the degree of concentration of the exhaust that would be involved would harm no one and therefore should not cause the owner of the vehicle to be declared a criminal.

In this, as in all matters, we must first consider the nature of the problem, second the nature of the solution and then, if that solution involves the passage of a law, the level of government at which the solution should be applied. When we are attempting to protect the people of Canada from a concentration of automotive exhaust fumes, surely we should confine our legislation to those areas in which the degree of concentration is likely to be of some danger to the public. That being the case, Mr. Speaker, I submit that it would be quite absurd to say that it was a crime throughout the whole of Canada, in the terms of the resolution, for the owners or operators of all diesel powered vehicles or railway engines to fail to equip said vehicles with some suitable device to render harmless, poisonous gases emitted from the exhaust of such vehicles or engines. For it would be the absence of the device which would be the gravamen of the offence and the fact of the matter could be that, even without the device, the vehicle's exhaust gas would hurt nobody.

It therefore seems to me that the steps which have already been taken by the authorities in Canada constitute the intelligent approach to this problem.

As my colleague the Minister of National Health and Welfare has indicated, his department has for some years past been conducting experiments to determine whether public health is adversely affected by fumes from diesel engines, whether on railroads or highways; and that so far there is no conclusive evidence to show that public health is being adversely affected. I submit that there is therefore no foundation for amending the criminal law so as to make failure to have a device upon an automotive engine a crime.

If there are places—as I believe there are, as in greater Montreal, greater Toronto, Winnipeg perhaps, Vancouver and other centres of population and perhaps on the Queen Elizabeth highway, although that may not be the case—where, in the interests of public health it is necessary that automotive vehicles should be so equipped, it seems to me that there are already existing provisions in the provincial statutes that enable this problem to be taken care of. For example, the public vehicles act of Ontario, which is Revised Statutes of Ontario, chapter 322, provides in section 24 that the lieutenant governor in council may make regulations:

> (k) prescribing the condition in which public vehicles shall be kept and prescribing the equipment to be carried by public vehicles and the condition and location in which the equipment shall be kept.

The lieutenant governor in council has merely to pass an order in council under this section, an existing section of the Ontario act, to say—if it is considered wise to do so—for example that all diesel automotive engines operating within Toronto or in whatever cities they wish to add or upon certain highways, shall be equipped with a suitable device.

Then we come to the point which the hon. member for The Battlefords (Mr. Campbell) has raised, namely that in our preliminary research upon this thing we must get to the stage that we can affirm that we have

something more than "a suitable device". For the problem to which the scientific men are addressing their attention at the present time is that of finding out what is a suitable device. My information is that they have not yet found out what a suitable device is.

It therefore seems to me that it would be wrong for even the lieutenant governor in council in Ontario to make it an offence for an automotive vehicle not to have a device attached to that automotive vehicle until it is established by fairly conclusive scientific evidence that some person knows what would be a suitable device to attach. We should not pass any laws until the proper scientific foundation has been laid for those laws; and that when they are passed, they should take the form of provincial laws tailored to meet the needs of the particular community in which this type of problem is encountered. Otherwise, if we do not do that, if instead we pass an amendment to the Criminal Code we might find ourselves in the absurd position where some automotive operator on the western prairie, with not even any habitations within three or four miles, could be held up and condemned as a criminal for the crime of not having his vehicle properly equipped when it would be perfectly apparent to everybody that the exhaust of his vehicle or that of 20 such vehicles in that particular area could not cause the least harm to anybody.

Now, as I have said the public vehicles act of Ontario makes that provision. Then there is another statute in Ontario, the public commercial vehicles act of Ontario, chapter 304 of the revised statutes of that province, which authorizes the lieutenant governor in council to make regulations. Subsection (k) reads:

> Prescribing equipment to be carried by a public commercial vehicle and the condition and location in which the equipment shall be kept.

A "public commercial vehicle" is defined to mean a commercial motor vehicle or trailer operated on a highway by, for or on behalf of any person for the transportation for compensation of goods.

In addition to that the Ontario legislature, in line with the argument which I have been trying to present for the last few moments, has accepted its further responsibility in this regard by setting up a committee which, for the past two years, has been engaged in the study of this problem of air pollution including the effect of diesel engine fumes upon public health. This committee still has that subject matter under consideration. It has not yet reported to the Ontario legislature. It therefore seems to me, Mr. Speaker, that apart from all other considerations it would be singularly discourteous on the part of parliament to speak in relation to a subject matter which is peculiarly the responsibility of the Ontario legislature, by dealing with it in the Criminal Code, an inappropriate statute, while the whole matter is under consideration of the proper legislative body at the proper level of government.

Now, that being so, Mr. Speaker, I must say that I cannot support my hon. friend's motion. I do not think it would be appropriate, until the concentration of population was much greater than it is in most parts of Canada at the present time, to have any amendment to the Criminal Code to make it a crime not to have an attachment of this sort upon automotive vehicles. On the other hand, I am in entire agreement with the mover of the resolution that there are areas in Canada in which it is not only appropriate but essential that automotive vehicles should be so equipped as soon as it is possible for the scientists to tell us that there is, in existence, equipment which is practical, which will operate upon a moving vehicle and which will neutralize the poisons which are put into the atmosphere by both diesel and automotive engines. The reason why I have some doubts upon the score as to whether there is conclusive knowledge upon this subject is that there are in the world places like London, England, for example, and Los Angeles where, from time to time, they have visitations of smog which I am told is due to a high degree of pollution of the atmosphere by automotive and diesel exhausts and industrial effluents.

I should have thought that in places like London and Los Angeles, where the problem is very severe and where their revenues are very substantial, they would not have been deterred by any problem of governmental responsibility from a massive effort to find a solution to this problem; and their solution would be of value to us in respect of our much lesser problem in Canada. My suggestion would be that we should see what the committee of the Ontario legislature brings forward after it completes the consideration it has been giving to this matter.

We also should consider that, so far as diesel locomotives are concerned, paragraph (a) of subsection (1) of section 290 of the Railway Act authorizes the board of transport commissioners to make orders and regulations generally providing for the protection of property, and the protection, safety and accommodation of the public, and of the employees of the company in the running and operation of trains, and the speed thereof or the use of engines by the company on or in connection with the railway. My information is that the board of transport commissioners for some years has been

considering and conducting experiments to determine whether orders of the character of those suggested by my hon. friend's resolution are necessary. So far, the board has not seen fit to make any regulations under this paragraph.

Now, these bodies whose immediate responsibility it is to deal with questions of this type are as yet not willing to make recommendations to their parent bodies. Hence I do not think it would be proper for us to pass a law making a crime non compliance in Canada with that which they are not as yet prepared to recommend. For that reason, I must oppose this resolution.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, as to the question of whether or not scientific investigation has yet established that there is a menace from these exhaust fumes, or whether there is a device capable of dealing with them, I am not qualified to speak and do not intend to discuss that subject at any length. However, with regard to the remarks of the Minister of Justice (Mr. Garson), he suggested it would be untimely to adopt this resolution because it would mean passing laws in the absence of certain knowledge on this subject, and also in the light of the fact that at least one provincial legislature has a committee studying the whole subject. It would, of course, be discourteous, as the minister put it, and probably unwise, if in fact the state of the scientific knowledge is as he describes it, to pass a law at this time without further ado.

But as the minister knows, and indeed as he has properly said, in considering amendments to the Criminal Code it is necessary and desirable to obtain the opinions of the enforcement authorities who are the provincial attorneys general. For that reason, in practically every case, certainly since I have been here and quite properly since the minister has been Minister of Justice, when any amendment to the code has been contemplated there have been just those types of consultations with the provincial authorities.

The hon. member for Brant-Haldimand (Mr. Charlton) is not suggesting that such a practice should be departed from. All he is asking is a proper expression of opinion from this house on the desirability of taking that type of action to implement the opinion of the house by certain proper steps, one of which would be, in the light of a careful assessment of the scientific information on the part both of this government and of the provincial authorities, to hold a consultation with the provincial authorities on the type of device and the terms of the statute or the amendment to the code that may be passed. I do not think that part of it should be any fatal obstacle to the resolution being adopted by this house, but it was with some other features of the minister's remarks that I wanted to deal particularly, because I submit with respect that on reflection he would himself agree that the difficulties he has raised are not really such obstacles to the adoption of the resolution as he suggested they should be.

If I may deal with them in the reverse order in which he raised them, one of the latter points he made and one to which he appeared to attach a great deal of importance was that it would not be desirable in fact to deal with this by federal statute, but that it would be desirable rather to leave it to provincial legislatures to deal with in the light of the existence or otherwise of areas of congestion.

Mr. Garson: Mr. Speaker, what I said was that it would not be desirable to deal with it under the Criminal Code, which of course is a federal statute.

Mr. Fulton: That was one of the minister's objections which I shall come to; but he did say, I think, not in so many words but certainly by implication in his remarks, that this is a problem which in its acuteness or existence would in fact vary from place to place, and that it should therefore be dealt with by provincial legislatures as and when they felt the need to deal with it arose and as and when they felt they had the answer—

Mr. Garson: That is right.

Mr. Fulton: —at their disposal. However, I do not think that is quite such a compelling argument as the minister suggested, for this reason. I have already said that a consultation with the provinces should certainly take place before any such amendments to the code should be enacted. But it seems inevitable that action to deal with this problem is going to affect the equipment of motor vehicles, including passenger cars, and I suggest it is undesirable that mandatory equipment on vehicles should be dealt with in different ways in different areas; that in one area it should be a compulsory requirement that a certain type of equipment be upon a vehicle and in others it should not. A motor vehicle now travels from area to area, and a car driver is going to run into numerous difficulties when he suddenly finds he is in an area where an exhaust protection device is necessary, whereas in the area from which he started no such device was necessary.

I suggest, therefore, that it is desirable where it can be done, as in this case it can be, without infringing upon provincial jurisdiction and autonomy that laws regarding the

safety equipment on cars should, so far as possible, be uniform across the country.

Mr. Garson: Will my hon. friend permit a question at this point?

Mr. Fulton: Yes.

Mr. Garson: To take a concrete example, is he arguing that because it may be necessary to have trucks equipped with this device in Ontario, which trucks travel from Ontario, we shall say, through to Alberta and in doing so go through Manitoba, that therefore it is necessary that all the truck owners in Manitoba should have to equip their trucks in that way even though they do not travel out of Manitoba?

Mr. Fulton: No, Mr. Speaker; I am going to deal with that when I come to this question of making exceptions. I suggest it would be very undesirable that otherwise innocent motorists from Manitoba, where such devices are not necessary, should suddenly find themselves in Ontario and all unknowingly commit some offence against an Ontario statute which requires such devices. It would be desirable, if this can be done, to have the law applicable to the whole country for the reason and on the basis of the principle I have suggested.

Then the minister dealt earlier in his remarks with the problem he has just raised, namely the difficulty of making a law of general application which will in fact be sensible because conditions vary so widely from place to place; and that, to quote the example used, it would be folly under the Criminal Code to require a farm tractor operating on the wind-blown prairies to carry such a device. Well, surely, the minister has had experience with making exceptions and incorporating them in a statute. I should think the simplest possible way to deal with that problem would be to say that this law shall not apply to tractors while operated exclusively on the farm or the property of the owner. These problems do not form insuperable obstacles. The statute is not going to be drafted in a moment; I would expect it is going to be drafted after consultation with provincial authorities, and after taking all these considerations into account.

I come back again to the point I made at the beginning, namely that this is a resolution asking the house to express an opinion as to the desirability of taking action along certain lines so as to deal with a problem that all speakers have agreed is of mounting importance. Where a general solution adopted after such consultation is found not to be applicable in certain instances, or within certain specific limits, then those instances or those limits can be excepted by a very simple paragraph or subclause in the amending statute.

I just come back to the minister's first point. He said he felt that in general it was undesirable to pass a law and say that after such and such a date a certain act will be a crime. He was there dealing with the question of whether this should be dealt with under the Criminal Code; but the first general principle he laid down which he stated he would follow in considering the desirability or otherwise of this resolution—

Mr. Garson: Mr. Speaker, I do not wish to interrupt my hon. friend but I really did not say that. What I said was that I was opposed to passing an amendment to the Criminal Code saying that after such and such a date a certain act would be a crime, which act in many, if not in most, of the areas of Canada was obviously not a crime in any sense of the word, not a crime in the sense of being *mala in se,* not a crime in the sense that it should be prohibited or *mala prohibita.*

Mr. Fulton: There, of course, we get back to the argument as to whether or not this is a danger to public safety.

Mr. Garson: And whether is is a danger to public safety depends upon the concentration of the contamination.

Mr. Fulton: That is arguable, and that is going back to the question of scientific data that may or may not be available to establish its effects; but all speakers have agreed that the problem is one of mounting importance, and that in certain areas not confined to one province it has reached proportions that require action.

As I understood it, referring to the recent consolidation of the code, the minister did say that an attempt had been made to bring within the scope of one statute and to define all these acts the commission of which would be crimes. Where a problem such as this arose in connection with acts which are now going on, with respect to circumstances applicable today which were applicable yesterday and which will be repeated tomorrow, it did not seem to him to be a sound thing to pass an amendment to the code saying that after this date those acts will be crimes. I think is is unsound to be too ready to amend the Criminal Code to deal with particular situations—

Mr. Garson: Hear, hear.

Mr. Fulton: —but I do not think it is unsound to amend the Criminal Code to deal with general situations—

Mr. Garson: Even if they are innocent?

Mr. Fulton: —and I do not think we could ever adopt it as a general principle that you should not pass an amendment to the code saying that an act will be a crime from tomorrow on simply on the ground that it was not a crime yesterday. That is not a valid objection because, of course, that would be to say in effect there should be no progress; that we refuse to recognize inventions which change the circumstances under which we live and therefore make it possible for people to act in a manner different from the manner in which they acted yesterday. In fact many amendments to the code were made necessary by the invention of the automobile, and other amendments to the code have been made necessary in large measure by the increasing speed at which automobiles can now be driven.

It is perfectly sound to argue that further amendments to the code may be necessary because of the danger to public safety represented by an increasing number of automobiles on the highways and streets of Canada. I am quite sure there will be many other developments in the future which will make necessary amendments to the code, or new departures from it. That is not to say they should be undertaken lightly, and I am not criticizing the minister for wanting to be fully convinced that the action under the Criminal Code is sound and desirable and a satisfactory solution. I would suggest, however, that we must never approach the problem from the point of view that an amendment to the Criminal Code per se is undesirable.

Therefore, Mr. Speaker, because I believe the hon. member for Brant-Haldimand has brought forward here a problem which does require attention and some action, and because it seems to me that it would be most desirable in cases of this kind that the action taken should be uniform across the country—because danger to health or safety is as vital in one part of the country as in another—and because I believe it is a proper resolution to suggest that the government should consider the possibility of taking this action by amendment of the Criminal Code, which means of course that it will be in consultation with the provinces and after proper consideration of the scientific data available, I hope the house will agree that the resolution should be supported.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I am sure hon. members of the house realize we are dealing with a very important question. I think too there will be a general feeling that the importance of this question is such that it would be desirable if the house could make some decision this afternoon that would bring a little closer some way of dealing with this problem of poisonous fumes emitted by diesel engines.

My colleague the hon. member for The Battlefords has already pointed out certain difficulties that present themselves to us as far as this resolution in its present form is concerned, and the Minister of Justice has underlined some of those difficulties. In view of the stand taken by the Minister of Justice one would assume that if a vote is called on this resolution its chances of passing in its present form are not the best.

As I say, the subject is of such importance that I think the house generally would like to see something better than just a discussion and then the rejection of the resolution. Therefore in a few moments I intend to suggest an amendment to the resolution which I would like to offer in the hope that the alteration proposed by my amendment might make the resolution acceptable to all members of the house. If that is the case then at least some kind of favourable, positive decision can be made by the House of Commons today.

The problem, as we see it and as has already been stated by the hon. member for The Battlefords, is that it does seem somewhat difficult to write it into the Criminal Code that it is an offence not to equip vehicles with a device which is not yet definitely known to be available. There may be some devices that some people feel are available and do the job, but these devices are not referred to in the resolution. I would suggest that because of the very vagueness of that part of the resolution it is a little premature to make the failure to have some unnamed suitable device an offence under the Criminal Code.

We feel, Mr. Speaker, that greater attention should be paid to this problem. I agree with my friend the hon. member for Kamloops that it would be well for the federal government to discuss this matter with the provincial authorities. I think it might be discussed between the Minister of Justice and the provincial attorneys general. I think it might also be discussed between the Minister of National Health and Welfare and the provincial ministers of health across Canada. We think also there should be intensified research into this whole problem, and it is along that line that I think the house could unite this afternoon.

It is obvious that we cannot obtain unity in the house on the proposal made by the hon. member for Brant-Haldimand, containing as it does a specific reference to the

Criminal Code; but I do feel that we might be able to achieve unity on the proposition that research in this field should be intensified. Toward that end, Mr. Speaker, I therefore move, seconded by my colleague the hon. member for Vancouver East (Mr. Winch):

That the resolution be amended by deleting therefrom all the words from the words "making the necessary amendments" to and including the words "for failure to equip said vehicles" and by substituting therefor the following words: "intensifying research to find ways and means of equipping diesel-powered vehicles or railway engines".

Now, Mr. Speaker, having moved the amendment in this form perhaps I might indicate just how the resolution would read if my amendment were accepted. It would read as follows:

That, in the opinion of this house, the government should consider the advisability of taking steps to further protect the health of the nation by intensifying research to find ways and means of equipping diesel-powered vehicles or railway engines with some suitable device to render harmless, poisonous gases emitted from the exhaust of such vehicles or engines.

I regret that I have not a number of copies of the resolution, because we have prepared it while the debate has been proceeding, but I have one for Your Honour and I sent one across the way, and I would be glad to supply one to my friend the sponsor of the original resolution.

The hon. member for Kamloops has commented on the fact that my amendment restricts the subject to diesel-powered vehicles or railway engines. I felt I should do that since that is the wording of the original resolution.

I offer this amendment in the best of faith and in the hope that hon. members on all sides of the house will agree with the proposition I have tried to lay down. I think it would be unfortunate for the house merely to take a negative position with regard to this important issue. It is obvious that the house cannot be expected to give a majority vote to the proposition offered by the hon. member for Brant-Haldimand in the form in which he moved it, but we might agree unanimously on the proposition that consideration should be given to the advisability of intensifying research in this field. It is in that spirit that I move the amendment which I have placed in Your Honour's hands.

Mr. Garson: My hon. friend was good enough before he moved this amendment—

The Acting Speaker (Mr. Applewhaite): Before I put the amendment I would ask the hon. member for Winnipeg North Centre to follow me rather closely, because I think it is my duty to see that according to my views the wording is appropriate. His amendment commences with these words:

That the resolution be amended by deleting therefrom all the words from the words "making the necessary amendments".

Does the hon. member mean:

All the words from and including the words "making the necessary amendments".

Mr. Knowles: I do.

The Acting Speaker (Mr. Applewhaite): With the hon. member's permission I will include the words "and including" because I think the resolution will then read much better.

Mr. Knowles: That will be quite satisfactory.

The Acting Speaker (Mr. Applewhaite): It is moved by the hon. member for Winnipeg North Centre and seconded by the hon. member for Vancouver East (Mr. Winch):

That the resolution be amended by deleting therefrom all the words from and including the words "making the necessary amendments" to and including the words "for failure to equip said vehicles" and by substituting therefor the following words: "intensifying research to find ways and means of equipping diesel powered vehicles or railway engines".

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, the hon. member for Winnipeg North Centre was good enough before moving his amendment to send a copy across to me with the suggestion that perhaps the government could accept the amendment. As indicated in his remarks, he hoped by his action to secure a unanimous decision of the house in relation to the resolution as amended in the way he is now suggesting. I thought I had made it clear in my remarks, as had the Minister of National Health and Welfare in his, that the department of health, the transport board and the legislature of the province of Ontario have not, through any evidence that has been presented to us, been remiss in the research which they have carried on or in the attention they have given to this matter.

One effect of my hon. friend's resolution would be the implication that these bodies in some way or other have not been carrying on research which was sufficiently intensified up to the present time. I am not by any means an expert in the field of research into this subject but I would think that sort of imputation was undeserved. As I pointed out in my previous remarks, this problem of pollution is found to an infinitely greater degree in many other parts of the world than anywhere in Canada. It is found to a very critical degree in many cities outside of Canada.

It was not so long ago that we read in the newspapers that the whole city of Los Angeles and its environs had been tied up completely, with a discontinuance of business and everything else, by a smog which made any kind of human activity impossible and rendered ill hundreds of its citizens. I do not like to accept the imputation that any Canadian researchers are at fault and that it is possible for them to intensify their research and produce some solution to this problem, when many large cities in the world as well as other countries have had the best researchers they could command deal with this same subject matter yet have not come up with any adequate solution, any more than we have.

So far as my hon. friends of the Conservative party are concerned in relation to this amendment, it seems to me it would be rather embarrassing for them to support it. For if the amendment be correct in its language then there is no foundation whatsoever for the introduction of the resolution; for in such case we are being asked to amend the Criminal Code upon the basis of an inadequate amount of research and an inadequate consideration of the whole matter.

For that reason I suggest respectfully that it might be better to continue this debate a little bit longer to see if we can get a little more wisdom shed upon it by others who are perhaps more capable of shedding it than I. I do not accept the suggestion that the consideration which has been given to this matter by a committee of the Ontario legislature, by the transport board and by the federal department of health has been inadequate, that it can be intensified, that it can be increased. I do not think that is supported by any evidence that has been brought forward by any hon. member.

Mr. Knowles: Does the minister think a scientist who has not solved a particular problem would feel it was a criticism of the work he had done up to a given point to say that he should work still harder to try to find a solution?

Mr. Garson: I certainly do. I think if he was asked to intensify his work the only possible interpretation that could be put upon that would be that he was not working very intensely at the present time. I do not think that is true; I do not think that is warranted. If my hon. friend is seeking unanimity by his amendment I think there is other language he could use.

Mr. Knowles: Would the minister suggest some other language?

Mr. Garson: Yes, I will. If you will give me a moment I will be glad to.

Mr. Green: Is the minister going to work out another amendment?

Mr. Garson: My hon. friend can feel quite free to go ahead with his remarks, as it will not bother me at all.

The Acting Speaker (Mr. Applewhaite): I hesitate to interrupt again, but perhaps I should point out that if the hon. member for Vancouver-Quadra speaks now it would not be competent for me to recognize the Minister of Justice the second time in the same debate.

Mr. Garson: I suggest to my hon. friend from Winnipeg North Centre that he substitute the word "continuing" for "intensifying".

Mr. Knowles: Mr. Speaker, perhaps I should not say this, but it seems to me there is not a great deal of difference in the meaning of the two words. Indeed, a scientist who would be offended by one would be offended by the other, but I doubt if either word is offensive. If changing the word "intensifying" to "continuing" will make the amendment acceptable to the Minister of Justice, I shall be happy to make the change.

The Acting Speaker (Mr. Applewhaite): Is it the unanimous understanding of the house that by consent the amendment moved by the hon. member for Winnipeg North Centre and seconded by the hon. member for Vancouver East be reworded by striking out the word "intensifying" and substituting therefor the word "continuing"?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Applewhaite): In that case it has been moved as an amendment by Mr. Knowles, seconded by Mr. Winch:

That the resolution be amended by deleting therefrom all the words from and including the words "making the necessary amendments" to and including the words "for failure to equip said vehicles" and by substituting therefor the following words: "continuing research to find ways and means of equipping diesel powered vehicles or railway engines".

Mr. Green: May I ask the minister a question. Is he accepting the amendment with that change?

Mr. Garson: I am accepting the amendment for debate, certainly.

Some hon. Members: Oh, oh.

Mr. Knowles: Mr. Speaker, I think that is your function, not the minister's. I understood that the minister was prepared to accept the amendment if I made that change.

Mr. Garson: I am accepting it in the sense that after it has been discussed I for my part am quite prepared to support it.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, if the minister is prepared to support that amendment I presume his followers will be prepared to support him, and there is not a great deal—

Mr. Stick: You are presuming a bit too much.

Mr. Green: The hon. member says I am presuming a bit too much, but judging by the experience of the last four years I think I am not presuming a great deal.

Mr. Garson: On a point of order, this is a private member's resolution, of course, and I do not think it is proper for me to undertake to commit all my colleagues with respect to a private member's resolution.

Mr. Fulton: If you were going to oppose it you would certainly hope they would all support you.

Mr. Garson: Oh, yes, but I really have no right to bind anybody other than myself. So far as I am concerned I will vote for it with that amendment.

Mr. Green: Mr. Speaker, to get down to the question before the house, we all agree that this is a matter which merits very careful consideration by the authorities, federal, provincial and municipal, and also by the industries concerned. I suggest that with the amendment that has been moved attention is now focused on research, and in that field the dominion has accepted an increasing responsibility over the years.

The particular question of research into the menace caused by these fumes can be very well undertaken by the national research council. Nothing has been said about the council thus far, the emphasis having been placed on the Department of National Health and Welfare. I have no doubt that department has also been giving consideration to the question, but to what extent research of this kind has been undertaken by the national research council I cannot remember.

I was on the special committee last session which dealt with the work of the council. We were all very favourably impressed by what we heard, and I believe the passing of the resolution in its amended form will provide considerable incentive to the national research council to undertake work that will lead to the solution of the problem. Under these conditions members on this side of the house do not wish to be technical. All we are anxious to do is focus attention on the question itself, and I think the debate as it has been carried on this afternoon will have that effect.

Mr. Garson: Hear, hear.

[Mr. Garson.]

Mr. Green: We will be very glad to support the amendment moved by the hon. member for Winnipeg North Centre.

Mr. Elmore Philpott (Vancouver South): Mr. Speaker, I should like to say a few words before we come to a final decision. I am sure we are all anxious to hear the hon. member for Brant-Haldimand, who for two years in succession has brought this matter of great importance to the whole country before the house. I remember that after a rather prolonged discussion last year we came to some kind of amicable decision at the end whereby the hon. member withdrew his resolution rather than press it to a vote. This time, by a sort of three-way peace-making job, we seem to be reaching some kind of basis for agreement.

As far as I am concerned, I think the hon. member for Vancouver-Quadra is quite wrong in his assumption that members on this side of the house always follow automatically whatever cabinet ministers say in the case of private members' resolutions. I certainly do not think the record of the last three or four years will bear that out. We have always been encouraged to do our own thinking on these matters, and I can cite notable examples such as the women's equal pay bill, the check-off bill and the paid vacation bill, when we used our own independent judgment.

Mr. Knowles: On the question of advance polls the hon. member voted one way last year and the other way this year.

Mr. Philpott: Surely my hon. friend should be the last man in the house to raise that argument. In the first year I was one of the 11 who voted for his measure whereas 254 members did not vote to support him. As far as switching votes is concerned, after giving the matter mature consideration for one year I decided that the hon. member was not justified in seeking to have the bill passed and I voted the other way, but he forgets that the whole Social Credit group voted against him last year while they voted for him this year.

The Acting Speaker (Mr. Applewhaite): Order. I think I should draw to the attention of the house that speeches at the moment should be directed to whether or not we will vote for the resolution submitted by the hon. member for Brant-Haldimand and the amendment of the hon. member for Winnipeg North Centre.

Mr. Philpott: That is quite correct. Thank you very much, Mr. Speaker. I hope the hon. member for Winnipeg North Centre will conduct himself accordingly.

Mr. Knowles: The hon. member has the floor.

Mr. Philpott: With respect to the question of pure air and polluted air, I was glad to hear the hon. member for Brant-Haldimand remind the house again today that it is not only a matter of pollution from diesel engines but pollution from all sorts of agencies. I noticed that once again today he brought up the question of lung cancer and cigarette smoking. All over the world scientific authorities are giving more and more attention to the question of health and polluted air. On January 5 of this year there was an authoritative article about the relation of smoking to lung cancer in the British medical journal, which indicated that a person who smokes 40 cigarettes a day has a 70 times greater chance of getting lung cancer than a non-smoker. I do not know whether we would all agree with the solution recommended in the article, because the conclusion arrived at seems to be that the way to cut down the incidence of lung cancer is for everybody to quit smoking cigarettes and go back to chewing tobacco.

Be that as it may, in my opinion more and more interest is being shown in the question of air pollution, and the hon. member for Brant-Haldimand is certainly to be congratulated for bringing it before the house. Those of us who live close to the big cities of Canada see very striking illustrations of the deadliness of some of these gas fumes along the main highways, because it is obvious that adjacent to our great highways even the evergreen trees die wherever traffic is heavily congested and such fumes are present in heavy density.

I think the subject of air pollution is one subject to which every intelligent person in the country should give close attention. Even in Vancouver, where we hardly ever have a fog, it was only a matter of a month or two ago that we had that really deadly thing, a smog. I know that for whole days afterwards the papers devoted columns and columns to explaining how we happened to get that upside-down air.

On the precise suggestion that we have before us, may I say this, I confess that I have sat here all afternoon and listened to this discussion, and I hoped that we would not be obliged to have a vote on the original motion moved by my hon. friend because it seemed to me that the general sense of this house is favourable to the purpose which he is trying to achieve. However, a good many of us have serious doubts about the exact method he is using to advance his idea. It seems to me that the compromise suggestion which has now been made and which has been at least tentatively accepted by the Minister of Justice—I do not know whether it has yet been accepted by the hon. member for Brant-Haldimand, but no doubt we shall hear about that—is a much more sensible proposal indeed.

I for one would judge that there could be no great objection if there should be in the Criminal Code some kind of clause making pollution of the air a crime. In fact, although perhaps I am wrong in this, it seems to me that even as the code now stands there are clauses that could be held to make pollution of the air a crime. It seems to me there could be in the code a general provision making pollution of the air a crime but that there could be a provision, under either the provincial authority or the municipal authority, for applying that provision in the appropriate places.

I think this whole question is one of profound importance to the people. If we are really interested in methods of improving health; if we are now going ahead with these plans for hospital and health insurance and other measures to improve the health of our Canadian people; and if we are all willing year after year to spend more and more money on trying to restore to health those of our people who are in ill health, I certainly think it is only common sense that we should do everything within our power to take steps to preserve the health of the people. Certainly clean, pure air is one of the prime necessities for the good health of the people. I therefore hope we arrive at an agreed solution on this proposed amendment. I hope the hon. member for Brant-Haldimand can see his way clear to accept the amendment, and that we can get a unanimous decision on this matter.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, like the hon. member for Vancouver South I have been listening with some interest to this debate as it has progressed this afternoon, and I thought I might like to say a few words of my own before it concluded, as closely related to the subject matter under discussion, I think, as that of lung cancer, about which the hon. member for Vancouver South was speaking. Actually what has prompted me to rise in my place in this connection is the use of certain words by the Minister of Justice when he was speaking earlier this afternoon. During the course of his speech he made reference to greater Toronto, greater Montreal and greater Vancouver.

When we are discussing this question of the pollution of air which has prompted the hon. member, in introducing this resolution, to suggest the need to pass a law to make it a crime, I think it might be profitable

to think for a few minutes about the root cause of this air pollution. I suggest perhaps it might be just as well if someone were to suggest that when we speak of greater Toronto, greater Montreal and greater Vancouver, we are using that word in a rather incorrect sense. If we were to think a little more about using some of the thousands of unoccupied acres we have across this country for people to live in, instead of having them all huddled together in these metropolitan jungles, we might be coming a great deal closer to a logical solution to this problem than we are by suggesting an amendment to the Criminal Code.

I realize that I have some freedom to speak on this subject—perhaps more than my friend the hon. member for Vancouver South would have—because I happen to come from an area where we can still get a sniff of pure sea breezes once in a while. Though I must say that even on Vancouver island I am at times worried about the increasing congestion in some of the areas of that part of Canada which I think even the hon. member for Vancouver South would agree approaches as close to paradise as does any part of this country.

Actually, Mr. Speaker, I think the fact that a resolution of this kind has been brought forward this afternoon serves to drive home the idea that what is needed in this country is much greater attention to social planning than we have had heretofore. As well as giving immediate attention to the problem of research, as is suggested by the amendment moved by my colleague the hon. member for Winnipeg North Centre, we should also be giving greater attention to the problems that are creating the pollution which is referred to in the resolution. That might in the long run be a much more important and sensible point of view from which this parliament could approach this problem.

In his speech the Minister of Justice set forth very well the fact that the incidence of this problem on the prairies in his own province of Manitoba, where someone may be operating a diesel truck along a country highway, is not very great; and that it is only when we allow ourselves to be overcome by this idea that in the size of our cities there is in some way a degree of greatness; when we are swept away with the approach of self-aggrandisement which the administration of some of our cities seem to take to this question, that we multiply the kind of problems that arise with respect to air pollution and a good many of the other social problems that beset us.

[Mr. Barnett.]

Mr. C. W. Carter (Burin-Burgeo): Mr. Speaker, I should like to say a few words on this resolution. The resolution as amended does not appear to leave much room for debate. The original resolution stated:

> That, in the opinion of this house, the government should consider the advisability of taking steps to further protect the health of the nation by making the necessary amendments under the Criminal Code, to provide penalties against owners or operators of all diesel powered vehicles or railway engines for failure to equip said vehicles with some suitable device to render harmless, poisonous gases emitted from the exhaust of such vehicles or engines.

That was a definite resolution, Mr. Speaker, but when we leave out all the words after "amendments", between the word "amendments" and "for failure" and place in their stead the words "intensifying research to equip said vehicles with some suitable device", etc., then the only thing we have to debate there is whether we want the research department to continue with this kind of project.

I am sure the national research council are concerned with this tremendous problem and have been working on it. I am sure they do not need a resolution of this house to keep them at work. We are all in sympathy with the problem with which the original resolution intended to deal. We all commend the hon. member of Brant-Haldimand for focussing the attention of this house upon the problem.

We all know that pure air is as essential to good health as pure water. It is logical to assume that we should take whatever measures are possible or necessary to ensure that our air will remain pure, just as we are trying to ensure the purity of our water. We have become increasingly conscious, I think, of the dangerous results to health from an excessive concentration of hydrocarbons in the atmosphere and the possibility that they might, in some way, be related to the increase in the incidence of lung cancer.

The thing that struck me about this resolution is that the hon. member has confined it mainly to diesel-powered vehicles and railway engines. Well, diesel-powered trucks or cars are not the only means of putting an excessive concentration of hydrocarbons into the atmosphere. The internal combustion of hydrocarbons in the combustion chamber of an engine is just a matter of burning these hydrocarbons under pressure with a specified amount of oxygen.

The same thing happens when we burn gasoline, and the same thing happens in our furnaces. The only difference is that in the furnace the combustion does not take place under artificially increased pressure.

In my opinion the confining of the resolution to diesel motors does not seem a very adequate way of dealing with the problem. When we pass a resolution of this house to make it an offence for the owners of diesel-powered trucks or diesel-powered cars or railway engines not to equip their motors with a device to render the exhaust harmless, that certainly must presuppose that such a device exists. If no such device is in existence, then there is not much sense in passing a resolution requiring people to use it.

We know that in certain places in the world, for example in London, England, and in Los Angeles, U.S.A., as was mentioned earlier, this problem is present to a much greater degree than in any part of Canada. Surely the people must be working in this direction of trying to find some sort of device to render the exhaust gases harmless. Especially would one expect to find such devices in rich areas like that of our neighbour to the south or some of the European cities where this problem is much more intense than it is here. If these people had discovered such a device, surely we would have heard something about it. Until we are certain that such a device is actually in existence, is being manufactured, and is available, then it does not seem right for us to pass a resolution which would penalize people for not doing something which it is impossible for them to do.

The other question that occurred to me in connection with this resolution is, if such a device were available why should it be made mandatory only for diesel vehicles? Why should it not also be made mandatory for other motor vehicles, for lighting plants and for the ordinary home furnace? These things burn diesel oil and put the same poisonous gases into the atmosphere that we get from the diesel trucks. If such a device were available, even then, before we pass this resolution, I think we should be very careful not to impose a heavy expenditure upon people in localities where it is not necessary. In the province from which I come we do not have this particular problem at all. In fact when I first read the resolution my reaction was that I wish we did require a measure of this sort in the area of the Atlantic provinces. However, we do not.

Even if such a device were available, I doubt whether it would be right for us to impose that extra expense on the owners and operators of vehicles in localities in which the devices were not necessary. Diesel engines are not used only to propel motor cars and trucks. In my province they are used also to propel fishing vessels. We are encouraging the fishermen to change over to diesel-propelled boats instead of using gasoline motors because of the saving in the cost of operation. Furthermore, in most of the smaller settlements where you do not have hydroelectric power the only means of getting current is from dynamos which are driven by diesel motors.

One of our handicaps in Newfoundland in industrializing our fishery is the lack of cheap hydroelectric power. We have to get our electric power from diesel-operated motors. The cost of operation of the fishing boats, the cost of operation of the lighting plants and the fish processing plants might be greatly increased if they were compelled to conform to a law such as is envisaged by this resolution.

Therefore, Mr. Speaker, this does not appear to me to be an adequate way of dealing with the problem. We know the problem does exist, and it would not be right for us to pretend that it does not. In some places it is a problem of immediate concern which requires some sort of action, or the best action we can take, to overcome it; but the particular type of action suggested in this resolution is not, so far as we know, within the realms of possibility.

The only suggestion I can make is that those places which have so much industrialization that the air is getting polluted should shift some of their industries down to the eastern provinces, where we have plenty of fresh air, and where it will be a long time before it gets to a state of pollution.

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, I know the hon. member for Winnipeg North Centre would not wish to have an amendment such as this written into the records if perchance it should not be entirely in order. He is a member who does keep the records and books straight on every occasion, and I hope he will not feel that I am opposed to the resolution or to this amendment when I suggest some doubt as to whether or not the amendment comes entirely within the rules of the house.

My understanding of an amendment is that it must not have the effect of negativing the motion. Citation 341 of Beauchesne's Parliamentary Rules and Forms, third edition, reads as follows:

> An amendment which would produce the same result as if the original motion were simply negatived is out of order.

The motion calls on the government to take definite steps which would culminate in legislation being passed requiring certain individuals to do certain things, namely to instal preventive devices on the exhausts of diesels in order to take out injurious exhaust gases and other things. The amendment

simply asks that the status quo be maintained and that we continue to do as we are doing. The original motion would have the effect of disturbing the status quo to some extent.

However, I do not think it is of very great importance, Mr. Speaker; and if you choose to rule that it is entirely in order there is a matter I overlooked in my earlier remarks that I should like to bring to the attention of the house. However, I would first like to have your ruling as to whether you think the amendment is entirely in order.

Mr. Knowles: If what the hon. member for Kootenay East has raised is a point of order on the basis of citation 341 of Beauchesne's third edition, may I ask that consideration be given to citation 338, which is on the same page. It reads in part as follows:

> The object of an amendment may be to effect such an alteration in a question as will obtain the support of those who, without such alteration, must either vote against it or abstain from voting thereon, or to present to the house an alternative proposition either wholly or partially opposed to the original question.

I submit that is what the amendment does, Mr. Speaker. It presents to the house an alternative proposition which is partially opposed to the original question. I would add further that a straight negative vote against the original motion would not produce the result that the amendment produces, namely that of affirming that there should be a continuation of the research into the finding of ways and means to equip diesel-powered vehicles with a suitable device. I submit that Your Honour will find the amendment in order.

Mr. Byrne: Mr. Speaker,—

Mr. Deputy Speaker: Order. Is the hon. gentleman rising on a point of order?

Mr. Fulton: He has already done so.

Mr. Deputy Speaker: I am glad the hon. member for Kootenay East did not press his point too strenuously because, while I realize there is some validity in what he has said, I am of the opinion that the amendment would be in order.

Mr. Knowles: The hon. member must be pleased. Now he can make his speech.

Mr. Byrne: You will realize, Mr. Speaker, that I just wanted to make sure that I would be in order in speaking a second time. I do not at this moment question your ruling, but I do still stand by my suggestion that an amendment should not have a negative effect.

The matter I had intended to speak about on the original motion is the fact that here in Ottawa, where I have been living the greater part of the time for the past eight years—and there seems to be every indication that I shall be here for some time yet—they have decided on a progressive program to eliminate street cars from their thoroughfares. I understand the intention is to instal diesel buses. Apparently the resolution moved last year by the hon. member for Brant-Haldimand did not have a very great effect upon the administrators of civic affairs in this city.

I have had occasion to ride three types of transportation in Ottawa. Undoubtedly the best, the most comfortable and the least noisy —though I cannot say the most efficient, but certainly the speediest of the three types—is the trolley bus.

They operate on several runs in the city, and appear quite efficient. Hydroelectricity is moderately cheap in the area, and the vast St. Lawrence development will provide further amounts of this power. I feel sure the board of control or the Ottawa Transportation Commission have some reasonable arguments as to why they should change over to diesel buses, but one determining factor should be the question of noise and air pollution.

I would suggest that the Ottawa Transportation Commission read thoroughly the arguments presented by the hon. member for Brant-Haldimand and see if they cannot alter their opinion regarding the change-over they have in mind. It is not only the pollution of air outside the buses that is objectionable, but inside the buses themselves there is almost invariably a strong odour of diesel fumes. On the other hand, trolley buses are completely free of fumes and are noiseless and extremely comfortable. If the authorities are taking cognizance of the dangers inherent in diesel exhaust surely this city is the very place that should give an example.

We have trolley buses in extensive use on the west coast. As a matter of fact, in most cities the buses are entirely electrical. There are buses which come in from rural areas that tend to pollute the air, but electric trolley buses have proven highly satisfactory. One of the early objections to the use of trolley buses was that they were too noiseless and crept up on people, catching them unaware, and that therefore they were dangerous. That is not a sound argument against the use of trolley buses. There are means of warning pedestrians and automobile traffic of the approach of a bus other than exhaust noises. I recommend to the city of Ottawa that they give careful consideration to the debate which has taken place here this afternoon.

Mr. Deputy Speaker: Is the house ready for the question?

Mr. Charlton: Just before you put the question, Mr. Speaker, may I say a few words. There seems to be considerable misunderstanding in the house today. I am sorry anyone would suggest that I would place a resolution on the order paper without having in mind something in the way of a cure for this situation. I believe it was the hon. member for Burin-Burgeo who suggested we were being asked to pass something and did not know what we were doing. He said it is impossible to pass a resolution here concerning a problem and not offer some solution to the situation.

On January 30 of last year I dealt with the solution at some length. I would ask the hon. member to refer to the debate that took place on that occasion, as reported at page 664 of *Hansard*. At that time I described a device that has been used underground for a considerable length of time and is accepted by the United States department of mines and by the Department of Mines and Technical Surveys here. If this device can be employed underground to render harmless the diesel fumes, then I suggest it would be practical for use on the highways of this country.

I am very grateful to the Minister of National Health and Welfare for his remarks this afternoon. I was pleased to learn of the nature and extent of the research into air pollution being carried out in the Windsor-Detroit area. I did not realize the full extent of that research program.

The minister also said that the resolution dealt with only one aspect of the air pollution problem. I grant that, and the very reason I referred specifically to diesels is that to my knowledge there is no device available that will remove harmful carbon monoxide from gasoline engine exhausts. There is, however, the device I have described which renders diesel exhausts harmless; therefore I specifically referred to diesel exhausts in the resolution, knowing there was a device available for installation on diesel engines.

The minister also suggested there was no proven solution to this problem. I believe that on reflection the minister will realize that in a good deal of the material that is available there is evidence proving the successful use of this device underground, and perhaps he could agree with me that this device would be just as useful on our highways.

The hon. member for The Battlefords said he would support the resolution if a suitable device was suggested. I do not know if he was in the house when I made my speech last year or when I opened my remarks today, but on both occasions I described the device that is available.

I am glad to learn that the Minister of Justice has seen fit to accept the amendment. Certainly one would be less than fair if he did not accept the amendment, because it simply means that we continue the research that has been taking place regarding the device for diesel-powered vehicles or railway engines. In order to meet the convenience of the house I will accept the amendment.

Some hon. Members: Hear, hear.

Mr. Charlton: In doing so I fully realize that the amendment emasculates the resolution; nevertheless if the house is willing to accept the amendment I will go along, because I feel the resolution has served a useful purpose in that it has brought the danger of the situation to the attention of the public, and I am thankful that this debate has taken place.

Amendment agreed to.

Resolution as amended agreed to.

VETERANS AFFAIRS

MOTION TO AMEND STANDING ORDERS TO SET UP STANDING COMMITTEE

Mr. William Bryce (Selkirk) moved:

That, in the opinion of this house, consideration should be given to the advisability of amending standing order 65 (1) by inserting therein, immediately after subparagraph (l) the following new subparagraph: "(m) on veterans affairs to consist of 50 members, 15 of whom shall constitute a quorum".

He said: Mr. Speaker, if I begin my remarks now I am going to be able to speak for only seven minutes; do you mind calling it six o'clock?

Mr. Speaker: Is it agreed that we call it six o'clock.

Some hon. Members: Agreed.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Bryce: Mr. Speaker, the purpose of this resolution is to set up a permanent committee on veterans affairs every year or every session when the other committees of the house are set up. To the man on the street this resolution may look rather complicated, but some of my lawyer friends have checked it and they tell me it is correct. I realize how lawyers can disagree on legal points, but I think this resolution is quite all right.

The Department of Veterans Affairs is one of the largest departments of the government,

and it is only reasonable that it should have a committee associated with it. There are committees of the house which are not particularly important, but the veterans affairs committee would be important. Perhaps it might not be needed to sit every year, but it would always be there when needed. Veterans organizations and veterans generally would feel more secure if they knew they had the right to go to their member of parliament and have their case reviewed or dealt with by a committee of the house.

Some may say, what is wrong with things as they are? That may be all right for the present, but what of the future? In the short time I have been here we have had three ministers of veterans affairs. First there was the late Hon. Ian Mackenzie; then there was the present Minister of Labour (Mr. Gregg), followed by the present Minister of Veterans Affairs (Mr. Lapointe). All those gentlemen were professional soldiers, and they knew the problems of the veterans from experience. But how long are we going to have men of this type holding the portfolio of veterans affairs minister? I personally hope it will be for a long time, but as the years go by the situation will change and most likely we will have a non-veteran minister or ministers.

A minister who has never seen active service can never be expected to understand the problems of the veteran the same as one who has had that experience. As time passes the administration can get farther away from the purposes of the acts which have been passed. After a number of years the people administering such legislation may forget the purposes and the reasons for the legislation and why it was passed. Our veterans, including those of world war I and world war II, constitute a significant proportion of the total Canadian population. Their problems are considerable and require constant attention. These problems could be dealt with much more effectively if the veterans had an opportunity to bring them before a standing committee through their members of parliament.

Furthermore, such a committee would facilitate the presentation of veterans problems by the Canadian Legion and other recognized veterans organizations in Canada. Often in the past there have been times when there has been no committee on veterans affairs, with the result that important problems affecting veterans and their families did not receive the proper airing to which they were entitled. The Department of Veterans Affairs acts in an administrative capacity in dealing with veterans problems. Competent as the department may be in this role, the fact is that our veterans require additional attention which is beyond the scope of the administrators in the department.

Then there are the important matters of pensions and allowances which can be met only by appropriate changes in the veterans legislation. A standing committee could give frequent study to the Pension Act and the War Veterans Allowance Act as new developments arose to justify changes in the legislation. As it is now, the veterans affairs committee is set up only on the initiative of the government to deal with special matters. The members of parliament therefore are handicapped by not having up to date information pertaining to veterans and their problems. If a permanent committee was established and if it sat every parliamentary session, parliament would be in a much better position to determine when changes in veterans legislation were required.

I feel sure that a veterans affairs committee dealing with these matters from year to year would be able to see that the legislation passed for the benefit of the veterans was maintained and used for the benefit of the veterans. Only by having a permanent veterans affairs committee of the house which can keep the administration and the legislation close to the needs of the veteran are we going to get the kind of administration the veterans should have.

I move this resolution in the hope that the government will give it consideration in the near future. I could say a lot more about this resolution, but I know other hon. members will want to express their views on such an important matter as the setting up of a veterans affairs committee of the house. As the time allotted to this debate is limited I shall refrain from going into detail.

I hope the minister will be able to convince the government of the need of a standing committee on veterans affairs. I am trying to set a good example, and have made my remarks brief so the minister will have an opportunity in the short time during which this matter will be under discussion to get the views of hon. members, not only on the government side but on all sides of the house.

Mr. G. S. White (Hastings-Frontenac): Mr. Speaker, I rise to speak very briefly on this motion and to indicate the support of hon. members of this party. The resolution of the hon. member for Selkirk to set up a permanent committee on veterans affairs is not something new. While it may not have been the subject of discussion before on private members' day, it is a matter that has often been raised by individual members both in the house and on many occasions before the special committee on veterans affairs.

Each year members receive briefs from the large veterans organizations, and in addition they constantly receive communications from veterans organizations in their ridings. Many receive copies of resolutions passed by Legion branches in their ridings, all advocating that there should be a standing committee on veterans affairs.

It has been the custom for a number of years for the Canadian Legion to present a brief to the government each November, and each time a brief is presented it contains many important recommendations covering a very wide range of topics. They deal with important matters and issues affecting thousands of Canadian veterans both male and female, and their dependents. Therefore it would seem to me that no more suitable course could be followed than for the annual Legion brief to be referred to a standing committee on veterans affairs each year.

The brief submitted by the Legion last November, which no doubt has been read by many hon. members, covered a very wide range of topics. To itemize them briefly, it dealt with national defence, pensions, conditions not recorded on enlistment, revised rates for dependent parents, increase in pension to certain dependent parents, retroactive awards, debts due to the crown, supplementation to Canadian rates, war veterans allowance, veterans of world war I, widows of allied ex-servicemen, supplementation for orphans pensioned under the Canadian Pension Act, and the equity in a home, among other matters. In my opinion the Legion made very fair and reasonable recommendations with respect to these matters.

I am not suggesting that their brief will not receive every consideration from the minister and the officials of his department but, after all, there are in the house between 75 and 100 members who have seen service in different branches of our armed forces, and they are able to bring to such a committee a great amount of valuable experience. As far as I know I have never heard the present Minister of Veterans Affairs or any other minister of veterans affairs advance any reason or suggest any ground for objecting to a standing committee on veterans affairs. As we all know, at the present time there are quite a number of standing committees of the house, and if you review the records you will find that some of them have not had a single meeting in whole sessions.

As has been suggested by the hon. member for Selkirk, if we had such a committee its members could study the Legion briefs and bring to the attention of the committee the various matters involving veterans that come to their attention in their ridings. Today there are a large number of statutes having to do with the welfare of veterans and their dependents. This simply means that all the legislation affecting veterans should be constantly under review with the hope of improving it, amending the various acts so as to bring their benefits more in line with present day conditions and also removing from the present legislation anything that may work a hardship or injustice.

The Department of Veterans Affairs is a large spending department because of the substantial expenditure in pensions and war veterans allowances and, as was so well put forward by the previous speaker, it would appear most reasonable to me that there should be a standing committee for the department. I do not think the minister should take this suggestion as indicating in any way that there is anything wrong with the administration of the department. I think he should take the view that members of all parties in the house want to help the minister and provide the very best possible legislation for Canadian veterans.

Before this short debate is over I sincerely hope the minister will indicate that he will accept the resolution and is willing to recommend to the government the setting up of a standing committee on veterans affairs.

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, we in this group are very happy that the hon. member for Selkirk has seen fit to introduce this resolution at this time. I sincererly hope the minister, as suggested a moment ago by the hon. member who has just taken his seat, will be willing to accept the resolution in the spirit in which it is put forward, for I am quite sure from my past experience as a member of the special committee on veterans affairs that the resolution should be and probably will be supported by members on all sides of the house.

I hope to follow the example of the two hon. gentlemen who have preceded me so far as time is concerned, and I shall enunciate briefly some of the reasons why I feel it is desirable to set up such a committee. I consider that the Department of Veterans Affairs is just as important as any other department, and under these circumstances it would seem to me that we should have a standing committee in the same way that we have standing committees on miscellaneous private bills, marine and fisheries and other matters.

It is true that the special committee on veterans affairs is not set up each year, but it is also a fact that some of the standing committees do not sit during each session of parliament. There are frequent occasions when special cases arise which can be dealt with in the committee. Those who

have been members of the special committee on veterans affairs will recognize that from time to time we do have cases involving special problems to bring to the attention of the minister and the representatives of his department. Actually such cases are dealt with best in a committee where we can speak directly to some of the members of his staff who are more familiar with these matters.

I was somewhat surprised, however, to hear the hon. gentleman who introduced this resolution suggest that one must be a veteran in order to understand veterans problems. I disagree with that suggestion. I will say this, however. It may be desirable to have members who are veterans on this committee that he suggests setting up. I trust I am not misinterpreting his suggestion, but I feel that if a standing committee is set up, certainly the best way to get some of the other members of this house who are not veterans to understand veterans problems is to have some of them on the committee. In that way they will get more familiar with the problems faced by veterans.

I am sure the house will agree with me when I say that those members of the special committees on veterans affairs who have not been veterans are certainly not those who held up legislation in so far as assistance to veterans is concerned. I believe this is also true of the members of this house. There are many non-veterans in the house, and they are certainly not opposed to veterans legislation merely because they are not veterans; nor are they opposed to it because they are not too familiar with the problems faced by veterans.

I also feel that the veterans as such must feel they are being placed in a secondary position by the members of this parliament who do not see fit to give them, with regard to a committee on veterans affairs, the same standing as, let us say, the standing committee on miscellaneous private bills, most of which are divorce bills. I do not think we should subject people who have served this country as well as have the veterans to being placed in the awkward position of having it suggested or even implied to them that they are not of as much importance as divorce cases, and that therefore we will not have a standing committee on veterans affairs for them. The same thing applies to the standing committee on marine and fisheries. I realize that these committees are necessary, but I definitely would agree with the hon. member who introduced this resolution that it is most essential and desirable that we should have a standing committee on veterans affairs. We in this group will support his resolution.

[Mr. Hahn.]

Mr. Elmore Philpott (Vancouver South): Mr. Speaker, before the minister speaks I want to submit a few ideas that might possibly alter what he is going to say. However, I want to make it clear at the outset that I am giving my complete moral support to the resolution introduced by the hon. member for Selkirk. After thinking the matter over carefully, and having myself been privileged to serve on two of the veterans committees in the present parliament, while I realize a good many of the arguments there are on the other side, especially the argument that there are too many committees already and that at certain times of the year we all have more committees than we can attend, nevertheless it seems to me that on balance the advantage is definitely on the side of having a permanent standing committee of this house on veterans affairs, if for no other reason than that it would tend to remove any suggestion of discrimination there might be in the minds of some of the veterans of Canada.

Mr. Speaker, I want to make it clear that in my opinion Canada has now and has had for a good many years the best all-round veterans legislation of any country which I have been privileged to study. I think our veterans legislation is better than that of any other country I know of. I think it is better than even that of our great, good and rich neighbour to the south, namely the republic of the United States of America. One reason it is good, I believe, is that we have always had in this house a large number of people who were intimately acquainted with veterans problems and who kept in touch with them. We have had a sensitive public opinion throughout the whole of Canada. We have had an alert press; and of course we have had vigilant veterans organizations who themselves are on the job. The whole thing has combined, I think, to give this country the best veterans legislation of any country in the western world.

I can remember what was said in one of the very few but very fine speeches made by the late hon. member for Halton, the late Miss Sybil Bennett. In a brief speech one day—one of her rare speeches in the house—I can remember she said what a thrill it had given her to see how all the parties in this house treated veterans legislation on a completely impartial basis.

I am not going to say that my own experience in veterans affairs committees has been quite that fortunate. I say that in the veterans committee there have been times when some people played politics; and for all I know, if we had this veterans committee as a standing committee, if it sat in election years perhaps people would have more of the same

tendency to play politics that they had at other times. But on balance I do not believe that is a valid objection. I have watched them in action and noted members like the hon. member for Cape Breton South (Mr. Gillis), whom I have always seen in the veterans committee being absolutely fair and impartial, not grinding any political axe, even when he has to be fair to the government.

I believe those precedents would be carried out if we had the veterans committee set up as a permanent institution to sit if necessary from year to year. I am not convinced that even if we had a veterans committee set up as a permanent institution, it would necessarily have to sit every single year. But even if it had to sit to deal with only a few minor matters, I believe it would be useful as a discussion agency in order to bring out the points that need bringing out.

I would not want anyone to run away with the idea that because I am in favour of this resolution suggested by the hon. member for Selkirk, I am even implying that there is any lethargy or indifference on the part of the government, and certainly not on the part of the Minister of Veterans Affairs. To the best of my memory I do not recall within the last 25 or 30 years our having a bad or indifferent minister of veterans affairs, but in all honesty I believe we have never had a better Minister of Veterans Affairs than we have right at this moment.

An hon. Member: That is a political speech.

Mr. Philpott: I would recall that just a year ago we had the review of the disability pensions for the lower income group. So, Mr. Speaker, while there may be some reasons on the other side to which I certainly will listen with attention and respect, for what it is worth I want to give my moral support to the resolution introduced by the hon. member for Selkirk.

I think Canada has great reason to be proud of her long standing record in veterans legislation. If we do nothing more than go through the pages of the Parliamentary Guide and read the brief biographies of the distinguished people who sit in this chamber and who occupy other great, responsible positions in the life of Canada; if we examine the record to see how many of those fine public servants have been the sons of people who lost their lives in the first world war or lost their capacity to earn as a result of service in the first world war but who nevertheless were able to get the proper training to enable them to become what they have become, I believe we all have reason to be proud of the legislation which is on our statute books.

I believe also it would be in keeping with the spirit of this house and the spirit of the present government, if we were not content to just have it good but were constantly on the alert to make it better if it could be made better. In my opinion the resolution as proposed by the hon. member for Selkirk would make it better.

Mr. Clarence Gillis (Cape Breton South): First I should like to compliment my learned and gallant friend, the hon. member for Selkirk, for introducing this resolution. It gives us an opportunity to have a discussion of a very important matter. I want to thank the hon. member for Vancouver South for the very great compliment he paid me a few minutes ago. I agree with him that our veterans legislation will compare favourably with any other veterans legislation in the world. There is a reason for that, and I will go into it more fully later.

I am sure the minister welcomes this resolution. Reading the press recently one finds that the main slogan of the government at the present time, and for certain reasons, is national unity. I am sure, following that idea through, the minister would be glad to unite the members of this house on a non-partisan basis into a committee to assist him and his department in the handling of the difficulties that face his department and the veterans organizations in the future. I am sure the minister will welcome this committee, because it affords an opportunity to share responsibilities in a matter that is beyond the realm of politics. I believe most of the veterans in Canada, and most of the members of this house who are veterans, do all they can to keep veterans problems outside the realm of politics.

Perhaps the reason our legislation can compare favourably with that of any other country in the world is that very early in the last war the government set up a veterans affairs committee for the purpose of opening up the old acts as they applied to veterans of the first war, and relating them to the new forces. This was a committee to develop a program of pension adjustments, veterans allowances and so on, with respect to the new forces. The committee could initiate ideas and recommend a rehabilitation program. The committee sat continuously and was not, as it has been in the last several years, merely a committee to examine legislation.

During the past several years the committee that has been set up has been limited to the examination of certain legislation the government was introducing. The committee was powerless to make amendments, but could make recommendations that were tabled

in the house. The committee which related the old acts to the new forces and expanded them had a rather free hand. I know, because I sat on that committee all during the war. It was a process of continual study, amendment or expansion of the acts and the development of a whole rehabilitation program that had to do with demobilization, education, the Veterans' Land Act and all the rest of them. It is for that reason our legislation was hammered into the shape it was when the war finally finished.

I believe if I were the minister of veterans affairs I would be quite pleased to get a committee of that kind to share responsibility with me. The pension commission and others who administer different acts under the minister's department should welcome this committee. They have many administrative difficulties that are not understood either by members of the house or the public. If we had a continuing committee people would be able to come to us and point out their difficulties. Most of the members of this house have opinions which would be of great benefit in considering legislation that is being demanded. So far as I am concerned I have always taken the position this is a non-partisan problem, and if there are demands made which I think are unrealistic or cannot be supported by the facts—and I think this applies to most members of the committee—I have had no hesitation in saying so. I am sure that with all the books the minister has in front of him he has come prepared to give us the legal arguments and the reasons why this committee should be welcomed with open arms. I am quite sure he is going to do that.

If one takes a look at the brief that was presented to the cabinet in December, 1956, by the Legion, one finds it indicates the need for a continuing study of veterans problems. There is no doubt that the Legion officials did a lot of research in the preparation of that brief, but at the present time most of the members of this house are not in a position to say whether or not those demands are reasonable or economic. There are many demands for changes in the Pension Act, such as the dependents' pensions. Apparently someone did some work on the percentage difference between wages that were paid at the time these acts were set up and the increases that have taken place in wages since, to indicate that the rates paid today, based on the formula that was adopted at the time the acts were set up, are completely out of line. The War Veterans Allowance Act, the matter of permissible earnings—those things have all been gone into again, and there are many demands in the brief.

I believe there are two departments of government that absolutely need a continuing committee, one of which is veterans affairs. Veterans affairs is going to be a continuing problem as long as anyone in this house lives. There is no finality to it. If the country is going to prosper and we are going to have twice as much money to spend in 1980 as we have today, as the Gordon commission suggests, then veterans legislation has to keep pace with that. It is not going to remain static.

As I say, there is no finality to this problem. There should be a continuous study made by members of this house, in co-operation with the members of the commission, if the members of the house are going to be informed sufficiently to vote according to the social and economic values of the problems facing them.

Unless we have the opportunity of studying the matter there is not much chance of a person in this house passing an intelligent vote on the problem.

About the only way that I see it can be done is through a veterans affairs committee. In that committee there would be available to the members experts from all branches of the department. The department is in housing today, and in land settlement. It is handling great social and economic problems. A terrific job is being done by the Department of Veterans Affairs. I think the minister needs help. I believe the people in all branches of the commission who have the responsibility of making decisions on veterans affairs have a right to inform members of this house as to the difficulties of administration, and to get the understanding co-operation at least of the members of the house.

An odd time in that committee you will find a member or two who wants to make capital out of its deliberations. That is a very small percentage of the committee. Many subjects are discussed, and no matter what kind of group you get together you find one or two who just do not play the game according to the rules, but it is a very small percentage. My experience on the committee has shown me that it is as non-partisan as a committee of this house could possibly be. So far as I am concerned it has always been the desire of the committee to help the veterans, but to be reasonable and understanding with respect to demands made on the public treasury.

I believe the permissive earnings and the war veterans allowances are burning questions. These questions need a lot of study. I believe the government has been unrealistic so far as that particular legislation is concerned. Then there is the matter of expanding the War Veterans Allowance

Act to include England as a theatre of war for world war I veterans. They are running out. There is still a large number who should be receiving the war veterans allowance. There is discrimination as between the younger and the older veterans. These are matters that should be, and I believe could be, ironed out by a committee.

As I said a moment ago, and I want to reiterate it, with the development of this country forecast for the future, with the advance in income and the increase in the standard of living, if the veterans—and there is a large number of them today—are to go forward and enjoy a share of that prosperity there has to be a continued study and revision of the acts having to do with veterans, in order to keep the veteran in the same relative position as he is today with respect to incomes and standards. The only way to do that is by constant study and revision and the application of increased rates to acts that have to do with the welfare and the future of veterans.

I have been deliberately brief in my remarks, because I want to give the minister a chance to advance to his own colleagues all the arguments he has at his disposal as to why the government should give him some assistance by passing some of the responsibilities of his department on to the members of the house. In that way we may lighten his burden a little. It would enable the staffs who administer the different acts to get the opinions of members and others about their difficulties, so we may have some understanding of what they are up against.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, as you know suggestions have been made in this house for several years and by members on all sides that a standing committee on veterans affairs should be set up. That request has been made not only in the house, it has also been made by the different veterans organizations across Canada. For example, at the dominion convention of the Canadian Legion, which was held in Vancouver last June, this resolution was adopted:

> Whereas the government has not seen fit to appoint a committee on veterans affairs during the present session of parliament;
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> Whereas problems are continually arising concerning the Pension Act, War Veterans Allowance Act, et cetera;
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> Be it resolved that this convention make representations for the appointment of a permanent standing committee on veterans affairs to which all such problems would be referred.

I believe the time has now come when this action could be taken, and I hope the Minister of Veterans Affairs will be in a position this evening to announce that the government has changed its stand on this particular question, and that from now on we can have such a committee. You see, Mr. Speaker, the request is not made in a frivolous way; it is made because the only way the veterans problems can be dealt with fully and adequately is by having a committee of this house which meets every year.

The practice in the past has been to set up a special committee only when there was significant veterans legislation coming before the house. For example, last session there was no such committee, although there were two or three minor bills having to do with veterans affairs. This year there is no hint that there will be any legislation having to do with veterans at all and, of course, there is no hint of a committee. But whether or not there is legislation—and I regret very much if there is to be none at this present session—such a committee could do valuable work.

I do not intend to go over the arguments which have been put forward already this evening in a very capable way by different hon. members, but there are these facts to remember. The veterans are affected by a variety of statutes of this parliament. For example, there are the Pension Act, the War Veterans Allowance Act and the Veterans' Land Act. In addition to these and other statutes there are regulations passed under the act setting up the department, which are of great importance. For example, there are the treatment regulations under which all the veterans who go into hospital have to come in order to get their hospitalization.

Then there are a tremendous number of Canadians involved. I suppose the veterans of the two world wars and their dependents would number well over a million. The number may be much larger than that. These veterans and their dependents are affected in a very personal way. It is not as though there was something more or less indirect in it. Their whole lives are affected directly by this legislation and by these regulations.

The veterans of Canada have been very fortunate to be represented for many years by organizations which are thoroughly responsible and statesmanlike. Take for example the Canadian Legion and the National Council of Veterans Associations in Canada, which is composed of the Army, Navy and Air Force Veterans in Canada, the Canadian Corps Association, the Canadian Paraplegic Association, the Sir Arthur Pearson Association of War Blinded, War Amputations of Canada and the War Pensioners of Canada. All these organizations, as everyone in this house will admit, have dealt with the problems facing the veteran down through the

years in a statesmanlike way, and they are doing so today. They feel, however, just as hon. members of the house feel who are asking for this committee, that the problems are changing continuously. There is always a need to meet some new situation which is arising. It is mainly for that reason we urge tonight that there should be set up now a standing committee on veterans affairs.

We have the example, Mr. Speaker, of the standing committee on external affairs. It took some years to get agreement for the setting up of that committee, but it has functioned in a successful way from the start. The estimates of the Department of External Affairs are referred to that committee every year. The minister appears and gives evidence, as does the deputy minister and various other officials of the department; in fact I think any official of whom the committee members request an appearance. Furthermore, legislation is referred to that committee. Your Honour will remember that two years ago the international river improvements bill was referred to the external affairs committee and dealt with there in a very efficient manner.

I see no reason why the same thing could not be done in establishing a standing committee on veterans affairs. Each year the estimates of the Department of Veterans Affairs could be referred to that committee, and legislation could also be referred. Not only could officials be heard, but we could also have representatives from these veterans organizations who have always been invited to appear before the special committees. There is no reason why they could not appear just as well before a standing committee each year. If this course were followed the result would be to keep the veterans legislation up to date and, as some hon. members have mentioned, it would assist in rectifying any mistakes.

Further, I think it would help to keep the administration of these acts human. I am not contending tonight that the officials of the Department of Veterans Affairs are not human in their dealings with the veterans, but it would help to keep that spirit prevailing throughout the whole department in the branches from coast to coast if we had a committee meeting every year dealing with the different problems.

Finally, I suggest that by setting up a committee we would give parliament its proper place in connection with veterans affairs. Parliament has not been drawn into the picture as fully as it should have been, because there has only been a committee established infrequently. If there is to be no legislation concerning veterans this year it will mean there can be no improvement in the benefits for the veterans of Canada and their dependents until 1958. If unfortunately that is to be the case, then I hope this parliament in its dying days can at least make sure that from now on there will be a standing committee on veterans affairs.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I rise to give my wholehearted support to the resolution moved by the hon. member for Selkirk, which in effect asks for the establishment of a standing committee of this house on veterans affairs. I am always interested when I follow the hon. member for Vancouver-Quadra in these debates, because he and I got cold feet together in the same trenches about 41 years ago. Little idea had we at that time that we would be pleading in this house in support of a resolution of this nature.

I support this resolution for three reasons in particular. The first is that as a result of my 12 years' experience in this house and my experience over that period in the special committee on veterans affairs when it was sitting, I am convinced of the need for this standing committee to which the recurring problems of veterans and their dependents can be referred. Anyone who served on that committee throughout that period realizes that the amendments made to legislation since 1945 resulted largely from the representations made by the Canadian Legion and other veterans organizations, and the consideration given to those representations by that committee.

My second reason for supporting this resolution is that the Canadian Legion, the National Council of Veterans Associations and the organizations of which it is composed have a very close knowledge of the needs of veterans and their dependents in this country. At repeated national, provincial and local conventions of these organizations resolutions have been passed urging the establishment of a standing committee on veterans affairs. That opinion was expressed again at the last national convention of the Canadian Legion, when a resolution was adopted in almost similar terms to those adopted in previous years, asking the government to establish a standing committee on veterans affairs.

My third reason for supporting the resolution is one advanced by the hon. member for Vancouver-Quadra. That is because the veterans and their dependents represent a very large segment of the Canadian population. I would say, as the hon. member did, that well over one million people are involved in this question, and we have a particular responsibility to those people. Veterans and their dependents in Canada are

entitled to particular consideration by hon. members of this house and the government.

The present veterans legislation is excellent, I know. As I have said before, our legislation in Canada is possibly the best total veterans legislation in the western democratic world. I realized that very much when I was in Great Britain last summer and had the opportunity to discuss this matter with some of the former high command of the British army, who were very complimentary about our legislation in Canada and critical of the legislation in existence in Great Britain. Certainly we should do this. We are in a land rich in natural resources and with a relatively small population. To do what we have done for veterans and their dependents throughout the years has been much easier for us in Canada than it would be for a country like Great Britain during that time.

We have no criticism of the officials of the department. I have had a great deal of experience with the officials of the various branches of the Department of Veterans Affairs. I have always found them courteous and willing to do all they could for the veterans within the terms of the law and the regulations. We do believe, however, that because veterans problems are naturally in a fluid state due to changing conditions and circumstances, there should be an opportunity to review these questions before a standing committee of this house at least yearly.

To prove that contention I will indicate the number of resolutions that were passed on various aspects of veterans legislation at the last dominion convention of the Canadian Legion.

Mind you, these resolutions come from the branches of the Canadian Legion, from the branches of the national council of veterans across Canada. They flow from the local branches to the provincial commands to the national conventions, and they are the result of people in the various communities, other veterans, appreciating the difficulties of the veterans and their dependents and the deficiencies in the present legislation, and the need for amendments to correct the situation.

What do we find? At the last dominion convention of the Canadian Legion there were 22 resolutions submitted seeking amendments to the War Veterans Allowance Act, some of somewhat major importance and some of somewhat minor importance. They were submitted because of the belief that the legislation required amending in order to adequately serve veterans and their dependents.

There were 20 resolutions submitted with respect to amendments to the Canadian Pension Act and dealing with various aspects of that important piece of legislation, which is indeed an excellent act. Those were sought because of changing conditions and circumstances, and the fact that from year to year it is found that certain aspects of the legislation do not work correctly and do not give the veterans the justice they deserve. Consequently, at the last dominion convention of the Canadian Legion there were 20 resolutions submitted calling for amendments to the Canadian Pension Act.

Then there were 21 resolutions dealing with the treatment of veterans and the treatment regulations, a most important aspect of veterans affairs legislation. The conditions, circumstances and problems in connection with treatment are constantly changing, and because of that we had these 21 resolutions presented to the convention.

Then we had five resolutions dealing with problems of the imperial veterans, something which needs serious consideration. Hon. members of this house representing all parties have advanced pleas on behalf of certain imperial veterans, and because of that we had a recent amendment to the War Veterans Allowance Act which brought under the legislation those imperial veterans who had resided in Canada for 20 years.

There were five resolutions presented at the convention dealing with rehabilitation problems. As the date of the second world war recedes the number of resolutions of this character are lessening, but regardless of that fact there were five resolutions dealing with rehabilitation problems affecting the veteran.

Then there were two resolutions dealing with amendments to the Veterans' Land Act. Why? While this legislation is effective and is serving a great purpose, experience and changing circumstances prove the need for some amendments.

Then there were five resolutions adopted with respect to the armed forces and civil defence. Those resolutions were put forward by local branches because the members understood the problems of men presently in the armed forces. There were eight resolutions dealing with the Canadian civil service, seeking to correct certain things which need correcting. There were over 30 resolutions dealing with miscellaneous problems which were of particular interest to veterans and their dependents, such as the Last Post fund, headstones for veterans, Remembrance day and so on.

When such a large number of resolutions were presented to the last dominion convention of the Canadian Legion recommending amendments to veterans legislation, it would surely indicate the necessity for a standing committee of this house to review the legislation, to hear representations by veterans organizations, and to make recommendations to this house. If we can have a standing committee of this house to deal exclusively with the problem of providing ourselves with provender in the restaurant, which I think is a somewhat minor matter compared with the problems of veterans and their dependents, surely we are justified in asking for a standing committee on veterans affairs at this time.

We have a number of standing committees which meet only rarely. I have been a member of the standing committee on mines, forests and waters since 1945, and it has never met during that whole period. That committee is supposed to deal with important problems, and I have suggested repeatedly that it should meet. The committee on mines, forests and waters deals with natural resources, in which I am very interested; but here we have human problems affecting large numbers of Canadians and which occur from day to day, from week to week, from month to month and from year to year.

We on this side of the house, and on the other side as well, who are urging the establishment of this standing committee on veterans affairs do so because we believe the problems of the veterans and their dependents deserve the consideration of this house through the establishment of a standing committee on veterans affairs. As one or two speakers have mentioned previously, the Department of Veterans Affairs is a very important department. Its estimates this year are somewhat over $250 million, which indicates the importance of the problems that exist across this country.

In conclusion I urge the minister to give consideration to supporting this resolution, the purpose of which is to try to get this government to accept its full responsibility by the establishment of this committee to meet the problems of veterans and their dependents which arise from year to year.

Mr. F. T. Fairey (Victoria, B.C.): Mr. Speaker, I want to speak only briefly on this matter. My first words shall be of congratulation to the hon. member for Selkirk upon introducing this resolution. I have not had the advantage, as have many of the previous speakers, of having sat on the special committee on veterans affairs, but over the years I have been closely connected with the educational features of some of the programs initiated by the Department of Veterans Affairs and I think I know something of the problems that exist.

I do not intend to repeat the eulogies that have been fairly general about the administration of the department and the excellence of the legislation. As I listened to the arguments advanced by my colleagues I tried to discover what particular difference there was between a standing committee and a special committee on veterans affairs, which latter committee is called from time to time as its services are required. On the whole I think a case has been made for a standing committee. The concluding sentence or two of the previous speaker indicated that there are a great many veterans and dependents who are affected by the regulations of the Department of Veterans Affairs, and because there are so many of them and because their problems are so numerous a standing committee of this house was required.

Frequently we as members receive various resolutions from the branches of the Legion.

Not so long ago when I made a speech in the house in favour of increases in disability pensions as against increases in war veterans allowances I recall that, to use a slang expression, I got my tail in the gate, because I suggested at that time that if so many of the recipients of war veterans allowance were in fact affected by war service they should be getting disability pensions, and I still think that is correct. It is because there are problems of that kind which could be discussed more fully and adequately in a standing committee that I support the motion advanced tonight.

It has been stated that it would be an education for non-veterans to be on such a committee. I quite agree; but I suggest that in all fairness veterans are perhaps more competent persons to be selected for that committee. I said I was going to speak briefly, and I believe I have done so. I simply say that on balance I think a standing committee is what we should have. I point out to hon. members that it is not certain that a standing committee would necessarily be called to meet at every session of parliament, but it would give an opportunity to the minister when legislation is introduced to refer such legislation to a committee already in existence; therefore I support the resolution.

Mr. Victor Quelch (Acadia): Mr. Speaker, as time is somewhat limited I am going to be very brief in my remarks. I support fully the setting up of a standing committee on veterans affairs. I believe if such a committee were allowed to investigate any

branch of the Department of Veterans Affairs year by year, and to hear briefs from veterans organizations, the committee could and probably would remain a truly non-partisan committee. I have been a member of veterans affairs committees for the past 20 years, and in my opinion the veterans affairs committees of recent years have not been nearly as non-partisan as they used to be.

During the war, as the hon. member for Cape Breton South stated, we had a committee that sat year by year, and it was given the responsibility of formulating a veterans charter around a number of draft bills. That committee was truly a non-partisan committee. Our one objective was to get the best charter we could for the veterans. I do not remember at any time any one party trying in any way to seek political advantage over another. But, unfortunately, after the war the government's policy with regard to a veterans affairs committee changed. No longer were we given a veterans affairs committee with wide open terms of reference. We were limited to very narrow terms of reference. Consequently, as soon as the committee met its members started to fight and wrangle in order to try to get the terms of reference extended, and so before the committee had sat for more than a few days it had become extremely partisan.

In my opinion the best way to prevent that happening would be to set up a standing committee on veterans affairs with wide open terms of reference, so it could deal with any branch of the Department of Veterans Affairs. Then once again I think we would have a truly non-partisan veterans affairs committee.

Mr. G. R. Pearkes (Esquimalt-Saanich): Mr. Speaker, the hour is getting late, but even at the risk of repeating statements already made I think it is desirable that, within the time limit, as many members as possible express their views on this most important resolution and let the minister know that on both sides of the house there are members with experience on the special committees of the past who believe that now is the time that a standing committee on veterans affairs should be established. It is for that reason, to add my voice to the arguments already put forward, that I rise to announce that I support the resolution.

I have only one possibly new point to submit. I believe, now that all our veterans are getting older and are finding conditions more difficult, that the setting up of a standing committee would raise the morale of many of these older veterans, because they would feel that they had a group of members of parliament who were making a special study of their problems and would be available so that they could present their particular points of view to the committee. I am not suggesting that every individual veteran with a problem would appear before the committee, but the veterans have their organizations, and through the representatives of those organizations they would be able to appear before the committee.

I am not going to take any more time, because I hope other members will speak. I hope the minister will explain his position, and that his reaction will be favourable.

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

An hon. Member: Why not let the minister speak?

Mr. Dickey: I have listened to the discussion of the resolution with great interest, as I have listened to similar discussions of similar resolutions in past sessions. Not having had the opportunity of participating in any of the previous debates, I am accepting the suggestion and perhaps invitation of the hon. member who has just taken his seat, and am rising to state my sincere views on this question. Having listened carefully to the arguments that have been presented, I must say that frankly I cannot agree that any proof has been presented that a standing committee on veterans affairs would make any substantial or constructive contribution to the handling of veterans problems by parliament.

The hon. member for Kootenay West mentioned a number of reasons why he thought a standing committee would be a good idea. I tried to follow his reasoning, and a good example of it was that if parliament had a standing committee to operate the restaurant in order to provide, as he stated, comestibles for ourselves, we should have a standing committee on veterans affairs because it was a very much more important matter. I think that is a good example of the kind of argumentation that has been put forward in support of the resolution.

Of course the facts are that the reason for having a committee on the restaurant has nothing to do with its relative importance to any other problem in the country, whether local or national. As all hon. members know, the reason we have a committee on the restaurant is that there is nobody else to run the restaurant of parliament but parliament itself.

I think it is stretching logic and credulity to a great extent to make the kind of argument the hon. member made, namely that

the fact that we had a committee on the restaurant in some way or other indicated that we felt that the provision of food for ourselves was more important than the matter of veterans affairs. The importance of veterans affairs has been recognized by all members of this parliament and by all parties in this house. I think service on the special committees on veterans affairs has been one of the real privileges enjoyed by a number of the members of this house. I know their privilege of serving on those special committees has been jealously guarded by the members concerned, and that many other members in this house would have felt it an equal privilege and would have wished the opportunity of giving similar service.

The membership of these committees has always been made up of members who are in fact veterans with military service either in world war I or world war II. In this debate it has been suggested that this exclusive membership is perhaps not necessary. I think the fact that the special committee has been made up wholly of veterans has been of advantage to the veterans in this country, because the members of that committee, themselves being veterans, have brought to their work in the committee specialized knowledge of the nature and real extent of the individual problems of veterans which we can hope to solve by providing the appropriate kind of legislation to deal with those problems.

An hon. Member: Is that not a good argument for the standing committee?

Mr. Dickey: The argument I am making will be obvious, I think, even to my hon. friend, when I have completed it.

Mr. Churchill: When are you going to complete it?

Mr. Bell: It is already obvious.

Mr. Churchill: What about the resolution passed by the Legion?

Mr. Dickey: I think my friend the hon. member for Winnipeg South Centre is the last member of this house who should point the finger of scorn at anybody for boring this house.

Mr. Churchill: Sit down and give me a chance.

Mr. Dickey: The fact is that the membership of the special committees has been exclusively veterans—

Some hon. Members: No, no.

Mr. Dickey: In my experience it has been.

Mr. Bell: That shows how much experience you have had.

[Mr. Dickey.]

Mr. Casselman: If the hon. gentleman had been listening, he would have heard an hon. member say it was not.

Mr. Dickey: My experience with the membership of these committees is that all the members have been veterans. I think that is proper and justifiable in the case of special committees. As all hon. members know, the membership of special committees is a matter which is given particular attention by the whips, and great care is taken to see that the membership of special committees is the best that can be secured.

I do not think it would be justifiable to apply a similar principle to any standing committee of this house. I think the membership of standing committees should be open to any member who wishes to serve on them and whose membership on such committees is convenient to the particular group in the house to which he belongs. I think in all probability a standing committee would lose much of the quality that the special committees have enjoyed.

All members with great unanimity and, I think, with equal justice have spoken of the veterans charter which was to a large extent the result of the work of the special veterans committee, the excellence of the veterans legislation we enjoy in this country, and the program we have for veterans welfare. To hon. members who have been supporting the idea of a special committee I should simply like to point out that this excellent position, this situation which they have all cited with some satisfaction and pride, has been achieved without the necessity of a standing committee which they now appear to try to suggest is essential for a continuation of this program. I submit, Mr. Speaker, that the very proposal they have put forward and some of the grounds on which they try to justify it disprove their argument rather than establish it.

What would be the utility of a standing committee in this parliament? It has been suggested that it would give an opportunity for representatives of the Canadian Legion and other veterans groups to make representations and submissions. May I point out that these groups have for many years been making annual submissions and representations to the cabinet. All members of this house receive copies of these representations. There is certainly no validity in the suggestion that the contents of these submissions would be any more readily accessible to members by reason of a standing committee, rather than their getting copies of these submissions which are annually made to the cabinet and the excellent information that the Legion and

other veterans organizations make available to every member of this house.

Several hon. members have spoken of the excellent administration of the department and the manner in which veterans problems have been dealt with by the various branches of the department and the Canadian pension commission. Certainly it has been my experience, Mr. Speaker, that any information I or any other member of the house desires is readily available by asking the necessary question in the house or by correspondence with the department. No additional information would be available to any hon. member through the sittings of the standing committee. I have also found that when members proffer advice to the department, that advice is carefully taken into consideration and, if found appropriate, is acted upon.

The hon. member for Vancouver-Quadra suggested that a standing committee was the proper place for matters of veterans affairs to be discussed. I do not doubt that, if there were a standing committee, it would be an excellent place for the discussion of matters relating to veterans. But, Mr. Speaker, it is my view that the best place and the proper place for members to express their views in connection with veterans affairs is in this house, and not simply in a committee of this house.

Parliament itself provides all the opportunities that any hon. member opposite could reasonably ask for expressing his views. The hon. member also said that he thought a standing committee would ensure the continuity of the humanitarian approach by officials of the department. I, for one, see no sign of any tendency for that humanitarian approach, to which he paid tribute, to weaken in any respect.

I do not know whether my experience as a member of this house has been much different from that of any other member, but as I listened to hon. members opposite I was thinking that it seemed to me what they really had in mind was a standing committee to provide a forum where individual problems with respect to the administration of veterans legislation would be dealt with. I submit, Mr. Speaker, if that is what they have in mind, that is not the proper function of either a standing committee or a special committee of this house.

Mr. Green: Nobody suggested that.

Mr. Dickey: If the hon. member will read what I said he will find I did not say he did suggest that.

Mr. Hodgson: Are you suggesting that?

Mr. Dickey: No, but I am saying that the argument the hon. members have been making is open to that interpretation. Certainly I know that in my experience as a member here I find I spend a great deal of time considering individual veterans problems. I find that the minister and the officials of his department, and all those who deal with the problems of pensions in the pension commission, are always most co-operative, very ready to consider individual problems, and to deal with them in the fairest and most generous way they possibly can. I, for one, feel that the establishment of a standing committee would not provide any constructive addition to the facilities that are given every member of this house to deal with veterans problems, either as individual cases or as matters of general policy and general legislation.

I find, Mr. Speaker, that I am not in a position to agree with hon. members who have said they have come to the conclusion that this is a resolution that deserves support.

Mr. D. S. Harkness (Calgary North): The senior member for Halifax, who has just taken his seat, Mr. Speaker, has been humming and hawing and saying nothing for the last 20 minutes in an effort to talk this matter out. I would hope, Mr. Speaker, we would have no more of that sort of thing. The arguments in favour of the standing committee have been put forward year after year and have never been refuted by any member of the government, including the senior member for Halifax.

Certainly, I am not going to put myself in a position of holding this matter up by talking it out. I shall not, therefore, repeat the many arguments, I think irrefutable arguments, which have been put forward in favour of a standing committee of this kind. I would simply ask all other members to take the same course of action and let this question come to a vote.

Mr. Colin Cameron (Nanaimo): I am going to take the advice of the hon. member who just took his seat and take a very few minutes to say something in support of this resolution. I might make a similar comment to the one he made concerning the speech of the hon. member for Halifax. In fact, the only time I was in the province from which the hon. member from Halifax comes, I saw a most remarkable sign in the station. It said, "Bore will arrive at 3.52".

There has been no argument yet advanced against the establishment of a standing committee on veterans affairs, except the implied argument that it would be an embarrassment to the minister and the government. I suggest to you, sir, that we who come here as

spokesmen for the veterans of Canada as well as the general public should not be worrying our heads about embarrassing the minister or any of his colleagues by the establishment of such a committee. I cannot imagine how any member of this house is going to go back and face an audience of veterans and tell them he voted against this measure or helped to have it talked out.

Mr. L. E. Cardiff (Huron): Unlike the senior member for Halifax, I shall support the resolution. The veterans are our first citizens, and as such should have our first consideration at all times. I am sorry to say this has not always been the case in this house. I am not a veteran, so I would not expect to be a member of that committee. However, I have had a lot of work to do for the veterans. When I came here in 1940, about 75 per cent of the work we had to do in this house was for returned men, because they were coming back from the war and had to be rehabilitated. It was for that reason that I had a lot of work to do for the veterans.

I cannot understand why the Minister of Veterans Affairs objects to this standing committee. It would help him and it would help the house arrive at correct solutions for many of these problems. I do not wish to take up too much of the time of the house, because I should like to see a vote on the resolution. I had some things I wanted to say, but in order to permit a vote to be taken on the resolution I would reserve my remarks for a later time.

Mr. A. H. Hollingworth (York Centre): First of all I should like to congratulate the hon. member for Selkirk, who sponsored this resolution. I think the debate in the house tonight has been very constructive, but I am only going to take a few minutes because I know there are other members who want to speak. I should like to compliment most sincerely the Minister of Veterans Affairs. I think this minister, who goes about his work unobtrusively, is nevertheless one of the most effective ministers we have in the cabinet. I think this whole house should applaud the minister for the excellent work he has done.

The point I should like to raise is that the establishment of a standing committee does not necessarily mean it will be sitting at every session. For example, I believe the hon. member for Kootenay West pointed out that the committee on mines, forests and waters has not met in 17 years. I, Mr. Speaker, am a member of the radio and television committee, and certainly I think all hon. members will admit that committee has been very active. Yet it is a special committee which is set up during a legislative period, and is not a standing committee. A special committee can always be convened and legislation can always be referred to it, or it can hear anything that comes up pertaining to a special subject. I believe that has been overlooked by some of the hon. members opposite.

I am happy to see that all members of the house have paid tribute to the magnificent program for veterans which we have in this country. I think the hon. member for Kootenay West referred to it as excellent and possibly the best total legislation for veterans in the western world. I am fully in agreement—and this is a non-partisan point—and I think everybody in this house is proud of what this government and this house have done for veterans in this country.

Certainly it would seem that, particularly in the matter of education, the veterans have been treated extremely well. Last year I referred to the fact that between 1942 and 1955 some $220 million was expended to assist veterans, which amounts to an average of about $16,900,000 every year over that period. This is only one particular facet of assistance to veterans. One needs only to mention the war gratuities and, of course, the last thing this parliament dealt with was the war veterans allowances.

I think my job as a member of this house, Mr. Speaker, is to do everything I possibly can for veterans and for the veterans in my riding; because certainly, as the hon. member who just took his seat said, the veterans deserve absolutely the best. They offered their lives to preserve our way of life. If I thought this resolution introduced by the hon. member would add to that I would think it could be supported. But, Mr. Speaker, as I say, certainly a special committee can be convened at any time. I think all members will agree that the veterans legislation of Canada is the best in the world. As I say, it is non-partisan. We all know that; we all agree. I would think the minister and the department are to be complimented most highly, in that the procedure we have now is the best possible way of handling the affairs of veterans.

Mr. J. H. Ferguson (Simcoe North): Mr. Speaker, I intend to be very brief. I did not want to speak on this because the previous speakers for my party have given their views very well on behalf of the veterans, and have said that their problems should be attended to without any delay.

The last speaker spoke as if nothing could be improved. The veteran finds himself in the position that prices are rising and he is not thought of at all. All we want today is

to have a committee to which we can appeal at all times on behalf of the veterans of this country. We do not want a special committee; we want a permanent committee that will be there all the time. We must realize that the cost of living is rising for the veteran. Those who are on pension are not receiving adequate pensions, and we should have a committee to deal with it immediately. A permanent committee should be set up to deal with the problems of every pensionable person in Canada, the aged, the crippled and the blind. They are waiting for election day. The government in power may do something two days before the election, but in the meantime the veterans can starve to death. That is their attitude. We want a permanent committee for those who cannot defend themselves.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I intend to be very brief. I know the minister needs only five minutes to rise in his place and say that he and the government intend to endorse this resolution. Therefore I do not think he needs every minute. However, I hope the sample of whitewash and red herring that came out of Halifax does not represent the attitude of the government toward this resolution, because if it does I am sure it will be most bitterly resented by the veterans of Canada.

When the senior hon. member for Halifax states that parliament presents any reasonable opportunity for discussion I believe I can readily deny that. This session of parliament is not meant to provide the veterans of Canada, or their spokesmen in this house, with such a reasonable opportunity. With all the problems of Canada the veterans and other problems which are urgent and pressing are relegated to the background, and we shall not be able to discuss them before the plug is pulled and we shall be asked to face an election. A standing committee of this house, as is proposed by this resolution, would be able to deal with all the usually reasonable representations of the Canadian Legion. They would not have to deal only with the proposals of the government in regard to veterans problems.

I think while the committees in the past have done excellent work they have always been handicapped in that it was the government that decided what field they might take into consideration. The over-all attitude of the people of the country and of hon. members to the very reasonable demands the Canadian Legion has made for many years now is one of sincere sympathy, and I feel that a standing committee could render great service and more closely examine the many complex problems the veterans face.

Some hon. Members: Question.

Hon. Hugues Lapointe (Minister of Veterans Affairs): Mr. Speaker, in rising to speak on this resolution of the—

Mr. Knowles: And in support of it.

Mr. Lapointe: —hon. member for Selkirk I wish first to thank him for the very kindly words with which he approached this subject. I was somewhat reminded, Mr. Speaker, of my days at college when one was taught what was intended to be the principles of rhetoric. They advised you to start making your plea with very kindly words and references to the one to whom you addressed yourself. This was called oratory precaution. It was meant to soften him up and get him to accept more easily the logic of the arguments which you would put forward afterward. I must say that the hon. member for Selkirk made a very fine attempt at this procedure, but unfortunately I cannot say that I found in his argument the substance which would justify the resolution he has put forward as it now reads on the order paper.

This, Mr. Speaker, does not mean by any manner or means that the usefulness of a parliamentary committee on veterans affairs is the least bit denied. These committees have existed ever since parliament met after the years of the first world war, and it is without doubt true that the legislation pertaining to veterans which is now on the statute books of Canada is the result of the deliberations, discussions and serious study of the various committees on veterans affairs since those days.

Furthermore, this legislation, to which hon. members on both sides of the house referred as an example of good, generous legislation for returned men, undoubtedly must at times undergo changes as circumstances change. The policy of the government has always been that if and when it was evident that circumstances had changed that should bring about amendments to veterans legislation, this legislation was referred to a special committee on veterans affairs. This has been the practice of this parliament right along.

Now, as to the value of the committee, I think everybody on both sides of the house is in agreement, and I would be the last one ever to suggest that this practice should be done away with. Therefore in my mind the question to decide, following the introduction of this resolution, is whether the interests of the veterans and their welfare would be better served in this parliament if the parliamentary committee which is called upon to

study the legislation brought forward in this house were a standing committee rather than a special select committee, as has been the practice heretofore.

Well, Mr. Speaker, I respectfully suggest that in the speeches made tonight no one has brought forward any substantial argument to prove that a standing parliamentary committee would have served the purpose better than the special committees have, and that is simply because such is the parliamentary procedure in this house—

Mr. Churchill: Are you going to set up a special committee this year?

Mr. Lapointe: I am attempting to continue my remarks. I know my hon. friend who interrupts keeps the house long enough when he rises to his feet, and I wish he would allow me to complete my comments.

What is the procedure of the house under the standing orders as we have them? Standing order 65 is the one that deals with standing parliamentary committees. It sets out that at the commencement of every session the house shall form what we call a striking committee to determine the membership of the various standing committees. Then it proceeds to enumerate what are those standing committees, of which there are 12 in this house, the balance being joint committees with the other place. That is all, Mr. Speaker, that exists under this standing order.

I certainly wish to be corrected if my interpretation of the parliamentary procedure is wrong but these committees are nothing more than agencies of this house. They have no authority to do anything whatsoever, to initiate any legislation or to pass on anything, unless it has been referred by this house; and the authority they possess is given by this house. It was given this year on January 24. This is the practice which has always been followed in this house and is part of our established practice.

After the report of the striking committee enumerating the membership of the standing committees is brought forward—it is usually the practice to have the government whip do this—the leader of the government, the Prime Minister, moves:

> That the standing committees of this house shall severally be empowered to examine and inquire into all such matters and things as may be referred to them by the house; and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

These are the words which give authority to parliamentary committees, and a motion in this language can be found at page 589 of *Hansard* for January 24, 1957.

Mr. Churchill: You are better on the rules this year than last year.

[Mr. Lapointe.]

An hon. Member: Shut up.

Mr. Lapointe: I am sorry, but I did not hear my hon. friend.

Mr. Marler: It was not very important.

An hon. Member: Listen and you will learn.

Mr. Lapointe: As I was saying, Mr. Speaker, a standing committee in itself has no power which a select committee does not have. Unless this house refers a matter to a standing committee the fact that it is established under a paragraph of standing order 65 does not give it any authority, nor does it give the members of this house any guarantee whatsoever that the committee will meet. It particularly does not give any veteran in this country a guarantee that any representation he wishes to make to this house will be heard, because a committee cannot meet unless the house refers a matter to it.

Mr. Green: Mr. Speaker, may I ask the minister a question? Why would it not be possible to have a committee like the standing committee on external affairs?

Mr. Lapointe: Mr. Speaker, the standing committee on external affairs meets because this house refers something to it. Is it not the fact that standing order 65 states that there will be a standing committee on external affairs which gives it authority. It is because standing order 65 having stated there will be a standing committee on external affairs, this house then decides to refer certain matters to it. Unless the house did make this reference and decide upon it, the external affairs committee would not sit. It would have nothing with which to deal, and could not legally discuss anything.

Mr. Green: Why could not the estimates of the Department of Veterans Affairs be referred to a standing committee on veterans affairs, in just the same way as the estimates of the Department of External Affairs are referred to the standing committee on external affairs?

Mr. Lapointe: They can be referred to a special committee on veterans affairs just as they could be referred to a standing committee.

Mr. Green: But they never have been.

Mr. Lapointe: The point I am trying to make, and it does appear that I am endeavouring to do so in vain as regards certain hon. members opposite, is that up until now no one has brought forward any argument to show that by amending standing order 65 in order to have a standing committee on veterans affairs added to the present list of 12

standing committees, such a committee would be of more value than a special committee.

I would like to remind my hon. friend that all the rules and standing orders of this house were studied and thoroughly looked into by a special committee on rules and standing orders which was presided over by Mr. Speaker. On this committee members from all sides of the house and from every party were represented, and my hon. friend himself sat on that committee.

Mr. Green: Oh, no, he did not.

Mr. Lapointe: I am sorry, but I was under the impression that my hon. friend had sat on that committee at one time.

Mr. Churchill: You threw away all the rules last year, anyway.

Mr. Lapointe: I can say, however, that many hon. members on the other side of the house and some of those who have been arguing in favour of the establishment of this standing committee on veterans affairs were members of that special committee set up by the house to study, inquire into and consider the rules and standing orders of the house, and make recommendations as to what amendments should be made. I believe the report of that committee was brought down at the beginning of the 1955 session, and the present standing orders under which we operate in this house are the result of the deliberations of that committee whose report was unanimous. This committee on rules and standing orders studied every rule including what was then standing order 63 and which is now standing order 65; the numbers were changed at that time.

Mr. Churchill: What about the rule concerning ten o'clock closing?

Mr. Lapointe: At no time did the committee make a recommendation to the effect that standing order 65 should be amended to provide for the establishment of a standing committee on veterans affairs. The matter was thoroughly examined by representatives from all sides of the house, some of whom sat on the veterans affairs committee. The report was unanimous, but no mention was made of establishing a standing committee on veterans affairs.

Mr. Knowles: That is the point; the committee reported only on those things on which we were unanimous.

On motion of Mr. Lapointe the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Green: Could we have the business for tomorrow?

An hon. Member: There is no one to give it.

Mr. Knowles: It was announced on Friday last. Is there any change?

Mr. Lapointe: I was not here last Friday but to my knowledge there is no change from the last announcement that was made. There is no change; the business will be the same as that announced on Friday night.

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

Questions

ANSWERS TO QUESTIONS

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

NATIONAL DEFENCE—AIRCRAFT CHARTER PAYMENTS

Question No. 10—**Mr. Fraser (Peterborough):**

1. What was the total amount of money paid out by the Department of National Defence during (a) the year 1956; (b) the year 1955, for aircraft charter?
2. What was the total amount of money paid out by the Department of National Defence for charter of helicopters during (a) the year 1956; (b) the year 1955?
3. From what firms or individuals were these aircraft and helicopters chartered?
4. What amount was paid to each such firm or individual?
5. What were the aircraft and helicopters used for under each charter?

Answer by: **Hon. R. O. Campney (Minister of National Defence):**

1. (a) $6,353,430.66 (1 April—30 Sept. 1956); (b) $4,609,287.10, £700 (sterling), (fiscal year 1955-56).

2. (a) $428,286.02 (1 April—30 Sept. 1956); (b) $147,544.07 (fiscal year 1955-56).

3, 4 and 5. See table below.

Service	Firm	Amount	Purpose
		$ cts.	
Navy.....	Trans-Canada Air Lines.....	5,280.15	Transport of service personnel
	Maritime Central Airways.....	9,986.40	" " "
Army.....	Trans-Canada Air Lines.....	118,363.00	Transport of service personnel
	Maritime Central Airways.....	39,976.60	" " "
	Quebecair Inc.....	200.00	" " "
	McMurray Air Services Inc.....	350.00	" " "
	Associated Airways.....	1,332.16	Transport of personnel and equipment to N.W.T. and Yukon radio stations
	Ward Air Ltd.....	5,365.11	" " " "
	Koenens Air Service.....	312.20	" " " "
	Central Northern Airways.....	212.80	" " " "
	Pacific Western Airlines.....	818.50	" " " "
	B.C.-Yukon Air Services Ltd.....	45,860.33	Transport of surveyors
	Okanagan Helicopters Ltd.....	64,992.55	" "
	Canadian Helicopters Ltd.....	53,479.06	" "
	Air Charter Ltd.....	£700.0.0	Transport of service dependents
Air force....	Arctic Wings Ltd.....	462,250.11	
	Associated Helicopters.....	21,580.02	
	Athabaska Airways.....	42,594.10	
	Austin Airways Ltd.....	1,642,601.12	
	Aviation Services.....	442.08	
	Boreal Airways.....	74,493.67	
	Bradley Air Services Ltd.....	13,781.67	
	Canadian Aircraft Renters Ltd.....	286,814.79	
	Canadian Helicopters (1954) Ltd.....	106,254.26	
	Central Northern Airways Ltd.....	547,389.15	
	Dorval Air Transport Ltd.....	1,652,869.29	
	Eastern Provincial Airways.....	398,808.25	
	Field Aviation Co. Ltd.....	2,973.76	Transport of personnel and materiel in connection with the construction of the mid-Canada line
	Gateway Aviation Ltd.....	107,831.70	
	Halls Air Service Ltd.....	7,709.40	
	Ilford Airways Ltd.....	51,110.25	
	Thomas Lamb Airways Ltd.....	242,809.08	
	Laurentian Air Service Ltd.....	4,026.94	
	Leavens Bros. Ltd.....	858.39	
	Maritime Central Airways.....	294,785.13	
	Meadow Lake Air Services Ltd.....	84,159.92	
	McMurray Air Services Ltd.....	7,263.24	
	Mont Laurier Aviation Co.....	184,333.36	
	Northern Wings Helicopters Ltd.....	21,709.96	
	Northern Wings Ltd.....	498,979.92	
	Okanagan Helicopters.....	275,458.45	
	Ontario Central Airlines.....	54,517.79	
	Pacific Western Airlines.....	427.62	
	Parsons Airways.....	12,953.93	
	Quebecair Inc.....	371,015.27	
	Saskatchewan Government Air.....	18,305.73	

Service	Firm	Amount	Purpose
		$ cts.	
Air force (Conc.)	St. Maurice Flying Services Ltd	12,987.04	Transport of personnel and materiel in connection with the construction of the mid-Canada line
	Spartan Air Services Ltd	14,717.11	
	Superior Airways Ltd	29,674.64	
	Taylor Airways Ltd	5,024.96	
	Trans Air Ltd	128,934.20	
	Trans-Canada Air Lines	286,250.00	
	Wheeler Airlines Ltd	1,556,529.64	
	World Wide Airways	1,085,650.36	
Defence research board	St. Maurice Flying Services Ltd	5,312.00	Transport of scientific personnel and equipment

IMMIGRATION STATISTICS, HALIFAX, 1956

Question No. 44—**Mr. Balcom:**

1. How many immigrants entered Canada through the port of Halifax in 1956?
2. How many of these immigrants were Hungarians?

Answer by: **Hon. J. W. Pickersgill (Minister of Citizenship and Immigration):**

1. 40,510.
2. 608 were Hungarian refugees.

TECHNICAL AND VOCATIONAL TRAINING, N.S.—FEDERAL GRANTS

Question No. 85—**Mr. Balcom:**

What grants have been given Nova Scotia, during the year 1956, in aid of technical and vocational training?

Answer by: **Hon. Milton F. Gregg (Minister of Labour):**

Following are the federal government contributions in respect of programs operated under the Vocational Training Co-ordination Act in Nova Scotia for the fiscal year 1955-56:

Training of unemployed	$ 166,125.71
Youth training, including student aid	43,345.66
Training for disabled persons	6,504.68
Apprenticeship training	58,100.41
Assistance to vocational schools, annual allotment	106,000.00
Vocational correspondence courses	744.30

HOUSE OF COMMONS

Tuesday, February 5, 1957

The house met at 2.30 p.m.

NATIONAL DEFENCE

UNITED NATIONS—REPORTED INCREASE IN CANADIAN CONTRIBUTION TO EMERGENCY FORCE

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, may I ask the Prime Minister whether the report which appeared in the paper yesterday to the effect that a Canadian armoured unit is to be sent to the United Nations emergency force is correct? If so, may we have a statement concerning the proposal?

Hon. R. O. Campney (Minister of National Defence): If I may, Mr. Speaker, I will answer that question. We have had a request from the United Nations emergency force for a reconnaissance unit with scout cars and wireless vehicles and about 110 personnel and also for a number of other personnel, about 60 of the types already in Egypt. This request is under consideration and is being processed now. I will make a statement when it has been decided what action will be taken. As I have said the request is for a reconnaissance unit, not an armoured regiment.

Mr. Green: May I ask the Prime Minister or one of the other ministers whether any other nations are sending additional troops to this force; whether any of the nations that already have troops there are withdrawing them, and also in what locality these troops are supposed to serve?

Mr. Campney: I do not know of any troops that are being withdrawn. I noticed in the press, I think it was yesterday, that the Brazilian government is sending 400 or 500 further troops. A few days ago I gave a statement to the house indicating where the Canadians are located. So far as I know, there has been no change since.

Mr. Green: Are these troops going to the same place as the other Canadian troops?

Mr. Campney: They will go first, if they go, to the base. The decision as to where they will be deployed from there will rest with General Burns.

Mr. G. R. Pearkes (Esquimalt-Saanich): May I ask a supplementary question. Has the government cleared with Colonel Nasser to see whether or not these troops will be acceptable?

Mr. Campney: No, we have had no communication with Colonel Nasser.

CAMP IPPERWASH — INQUIRY AS TO REMOVAL OF GUARDS REGIMENT

On the orders of the day:

Mr. J. W. Murphy (Lambton West): Mr. Speaker, I would like to ask the Minister of National Defence if he has received any telegrams protesting the removal of the fourth battalion of the Canadian Guards from Camp Ipperwash. If so, will the minister tell the house what is being done about it. If the Guards are removed from Camp Ipperwash will other troops be moved in?

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, before the 4th Guards battalion was moved to Camp Ipperwash it was used as a militia camp, as a cadet camp and in various other ways. Once the Guards are removed it will again be used for such purposes. There is no present intention of moving any other regular unit into the camp but the matter is being given consideration to see if this might be possible.

Mr. Murphy (Lambton West): May I ask the minister a supplementary question. Is it a fact that the Guards are being removed from Camp Ipperwash?

Mr. Campney: The battalion at Camp Ipperwash is not being moved. It is one of the two regular battalions being run down.

INQUIRY AS TO FURTHER REDUCTION IN INFANTRY BATTALIONS

On the orders of the day:

Mr. Gordon Churchill (Winnipeg South Centre): May I ask the Minister of National Defence whether it is the intention of the government to make any further reduction in the number of infantry battalions in the Canadian army which are on active service?

Hon. R. O. Campney (Minister of National Defence): If and when any further reductions are made they will be announced in the same way I announced the last one.

Inquiries of the Ministry

Mr. Churchill: Will the minister answer a supplementary question? Is the 13th infantry battalion part of any brigade, or has it been given an independent role?

Mr. Campney: It remains part of the 4th brigade.

IRRIGATION

SOUTH SASKATCHEWAN RIVER—REPORTED STATEMENT BY SASKATCHEWAN TREASURER

On the orders of the day:

Mr. Irvin Studer (Swift Current-Maple Creek): If I am now in order I should like to direct a question to the Prime Minister. I should like to ask if the provincial treasurer of Saskatchewan, Mr. Fines, has communicated with the government of Canada to say that the Saskatchewan government is now prepared to consider paying 25 per cent of the cost of the South Saskatchewan dam in cash as the work progresses?

Right Hon. L. S. St. Laurent (Prime Minister): I notice a report in the press that the provincial treasurer of Saskatchewan was reported to have made a statement in a press conference to the effect indicated by the hon. gentleman's question, but to my knowledge no such communication has ever been made by the government of Saskatchewan to the government of Canada.

Mr. E. G. McCullough (Moose Mountain): May I ask the Prime Minister a supplementary question. Since the press has indicated that the provincial treasurer of Saskatchewan has stated that the provincial government is prepared to finance the $20 million without reference to the federal government, can the Prime Minister say now whether or not the federal government is prepared to proceed with the dam?

Mr. St. Laurent (Quebec East): I do not think any hon. member would expect the federal government to act upon newspaper reports in a matter that would involve a contract between the government of a province and the government of Canada. I can say that no consideration has been given to that project on the strength of the newspaper report of this statement to the press by the provincial treasurer of Saskatchewan.

Mr. M. J. Coldwell (Rosetown-Biggar): Is it not a fact that the statement made by the provincial treasurer of Saskatchewan is entirely along the same lines as the proposal discussed between the government of Saskatchewan and the Minister of Agriculture some time ago? That was my understanding on Saturday when I heard of it from the provincial treasurer himself.

[Mr. Campney.]

Mr. St. Laurent (Quebec East): I cannot say, Mr. Speaker, that it is entirely along the lines that were discussed. Up to the present time my understanding has been that the attitude of the provincial treasurer was that they should not be called upon to pay anything until there were earnings out of the power plants and that payments would be made out of those earnings.

[*Later:*]

Mr. Claude Ellis (Regina City): Mr. Speaker, I should like to ask a question supplementary to those asked by the hon. members for Swift Current-Maple Creek and Moose Mountain. In view of statements appearing in the press concerning the South Saskatchewan river dam, is the Prime Minister aware of any conditions laid down by the federal government which have not been met by the provincial government in an effort to begin immediate construction on the South Saskatchewan dam?

Mr. St. Laurent (Quebec East): Mr. Speaker, it has already been stated in the house several times that the federal government laid down no other conditions but taking the responsibility when it was convinced that such was the fact that the construction of the South Saskatchewan dam would add more to the revenue of the national economy than it would take out of the revenue of the national economy in interest charges and amortization charges.

Mr. Ellis: Mr. Speaker, is the Prime Minister aware that the Minister of Agriculture (Mr. Gardiner) has been making statements in the province of Saskatchewan to the effect that in some way the provincial government is holding up the construction of the South Saskatchewan dam?

An hon. Member: If they changed their provincial government it would be all right.

Mr. St. Laurent (Quebec East): Mr. Speaker, the Prime Minister has not accompanied the Minister of Agriculture in his visits to the province of Saskatchewan and would not be in a position to answer the hon. gentleman's question from his personal knowledge.

TRADE

CANADA-UNITED STATES—REFERENCE TO REPORTED RECORD DEFICIT

On the orders of the day:

Mr. George H. Hees (Broadview): Would the Minister of Trade and Commerce care to comment to the house on the report by the dominion bureau of statistics, issued yesterday, showing that during 1956 this country had a record trade deficit with the United

States amounting to $1,290 million and a record over-all deficit with all countries amounting to $848 million?

Right Hon. C. D. Howe (Minister of Trade and Commerce): No, Mr. Speaker, my comment is that exports were up about 11 per cent and imports were up about the same amount. There is an over-all trade deficit which is due wholly to the present abnormal rate of capital investment and that imbalance will tend to correct itself as soon as the capital program drops back to something like normal proportions.

[*Later:*]

Mr. Hees: In view of the over-all trade deficit which established a record for all time for last year, and in view of the record trade deficit with the United States, will the Prime Minister now give consideration to initiating a British commonwealth trade conference so that an attempt may be made to improve Canada's trade position?

Right Hon. L. S. St. Laurent (Prime Minister): There has been no consideration given to initiating a commonwealth trade conference, and there is no present intention of doing so.

BUSINESS OF THE HOUSE

REQUEST THAT DATE BE SET FOR EXTERNAL AFFAIRS DEBATE

On the orders of the day:

Mr. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. Having regard to the two resolutions which were passed on Saturday and Sunday by the United Nations, will he consider having two days set aside as soon as possible for the discussion particularly of external affairs?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, there is nothing I myself would like better but I shall have to discuss the matter with the Prime Minister and the leader of the house to make sure that time is available, having regard to the other business before us.

[*Later:*]

Mr. G. W. McLeod (Okanagan-Revelstoke): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. In view of press news items such as "Israeli refuses to withdraw troops as requested by U.N."; "India refuses to allow plebiscite to determine the future status of Kashmir as ordered by U.N."; "France refuses to yield power in Algiers to U.N.", would the Secretary of State for External Affairs advise the house if this government will advocate steps to strengthen the hand of the U.N. in world affairs or is its policy to support the reconstitution of the U.N. as an advisory council acting in world disputes only with the approval of all parties concerned?

Mr. Pearson: Mr. Speaker, if we have that debate on external affairs to which the Leader of the Opposition referred, this would be one of the matters I should like to deal with.

UNEMPLOYMENT INSURANCE

STATEMENT ON PLAN TO COVER FISHERMEN

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I should like to direct a question to the Minister of Labour. Would the minister be willing to tell the house of any progress he may have made in evolving a plan to apply unemployment insurance to fishermen?

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, the hon. member for Gloucester told me that he intended to ask a question on this subject, and I think I should also say that the hon. member for Charlotte (Mr. Stuart), the hon. member for Iles-de-la-Madeleine (Mr. Cannon) and the hon. member for Halifax (Mr. Dickey) also spoke to me.

An hon. Member: Put them all in.

Mr. Gregg: I hope I have.

Mr. Hees: And the hon. member for Restigouche-Madawaska.

An hon. Member: Where is he?

Mr. Gregg: In accordance with the forecast I made when the act was amended last session, an unemployment insurance plan for fishermen has been worked out and approved by the government.

The commission is now taking the necessary steps through its regional and appropriate local offices to have the plan commence on April 1 next for the collection of contributions into the fund, and to commence on January 1 next for a consideration of applications for benefit.

Under this plan commercial fishermen will be covered regardless of whether they are wage earners, or work on shares as co-adventurers, or carry on their fishing operations alone. For those who are paid wages, the employer and the employee will, of course, make the contributions in the regular way.

Fishermen who do not work for wages have no employer in the ordinary sense. It will be necessary in their case for the person who first buys or acquires a fisherman's catch to be treated as the employer for the purpose of making the contributions and keeping the records.

In general, the rates of contributions and benefits will be the same as those applying to all other insured workers.

The period when benefit may be paid will be restricted to the time of year when most fishermen are unemployed. The plan, therefore, provides for the payment of benefit only between the beginning of January and the middle of April, for such number of weeks as the claimant may be entitled to, with a minimum of 10. Provision is made for integrating fishing contributions with contributions from other insured employment.

Contributions into the fund will commence as from April 1 next, but I wish to make it clear that these contributions will not count for any benefit until the beginning of January 1, 1958.

What I have given, Mr. Speaker, is just a general outline of the plan. I would be glad to give further details when my estimates are before the house.

[*Later:*]

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like to direct a question to the Minister of Labour supplementary to the statement he made earlier on unemployment insurance benefits for fishermen. My question is this. Will contributions to the fund made while fishing prior to the effective date of fishermen's benefits count toward qualification for regular benefits if their addition to contributions made in other employment would qualify the applicant?

Mr. Gregg: Mr. Speaker, I think I should like to take notice of that question. Questions in that category I would prefer to leave until this matter is discussed in detail when my estimates for the unemployment insurance commission come before the house.

Mr. Barnett: May I ask a supplementary question. Would the minister tell the house, in view of his answer, when copies of the regulations will be available to members of the house?

Mr. Gregg: The regulations are now under preparation. As my hon. friend realizes, the first phase has to do with regulations covering contributions into the fund. These will be completed and will be made known to the offices affected before the opening date of April 1. The other regulations which have to do with the benefits will not be completed until after that date, so there will be a series of regulations and as they are completed they will be made available.

LABOUR CONDITIONS

STATEMENT ON WORKING DAYS LOST THROUGH ILLNESS AND INDUSTRIAL DISPUTES

On the orders of the day:

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, I should like to answer a question asked on January 24 last, as recorded at page 594 of *Hansard*. The hon. member for Comox-Alberni (Mr. Barnett) asked for the total number of man working days lost through illness as a supplement to the information that 1,261,400 man working days were lost through industrial disputes in 1956.

I said at the time that only an estimate could be given, and this is it. The best means of providing such an estimate appears to be through the monthly labour force survey. From this survey, information is obtained as to the number of persons with jobs who did not work during the survey week because of illness, and also the number of persons with jobs who worked less than 35 hours during the week because of illness. In the year 1956 the average number of persons who did not work at all during the survey week because of illness was 57,250 per week; the average who worked less than 35 hours because of illness was 26,750. Assuming that persons in the first category lost five days per week and persons in the second category lost two days per week, it has been estimated that in the year 1956 just under 17 million man days were lost owing to illness. The corresponding figure for 1955 would be just over 16 million.

In addition to this labour force survey the dominion bureau of statistics have cross-checked through other surveys which seem to indicate that the figures I have given may be slightly low.

NATIONAL DEFENCE—REQUEST FOR FIVE-DAY 40-HOUR WEEK FOR CIVILIAN EMPLOYEES

On the orders of the day:

Mr. H. O. White (Middlesex East): Mr. Speaker, I should like to direct a question to the Minister of Labour. Is the minister's department co-operating with the Department of National Defence to assure civilian employees in the national defence establishments the five-day 40-hour week as enjoyed by the employees of the Department of Veterans Affairs?

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, the appropriate branch of my department co-operates at all times with the

Department of National Defence and other departments to see to it that those civilian employees receive proper wages and to give information on hours of work. If my hon. friend has any special cases in mind I should be happy if he brought them to my attention.

Mr. White (Middlesex East): I was thinking particularly of 27 C.O.D. at London and the national defence establishment at Hagersville.

Mr. Gregg: If my hon. friend will send me the details I shall be glad to see that they are studied.

AIRPORTS

MALTON AND TORONTO ISLAND—PROGRESS OF NEGOTIATIONS

On the orders of the day:

Mr. John B. Hamilton (York West): Mr. Speaker, I should like to direct a question to the Minister of Transport. In view of the fact that the Toronto city council yesterday endorsed an agreement to transfer the title to Malton airport to the government as soon as work begins on improvement of the Toronto island airport, could the minister advise the house, first, when such work will commence and, second, when work will commence at Malton on the new terminal facilities?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I would have to examine the estimates for the coming year to know what is provided for of the work to which the hon. gentleman just referred and to ascertain, too, at what time it is proposed to make a start on a new terminal building at Toronto. I shall try to answer the hon. gentleman tomorrow.

[*Later:*]

Mr. John Pallett (Peel): Mr. Speaker, may I ask the Minister of Transport a question supplementary to the questions asked by the member for York West (Mr. Hamilton) with respect to Malton airport. When the minister is making his investigation would he also ascertain that the transfer of the property from the city of Toronto to the Department of Transport will not deprive the township of Toronto of municipal taxes that have been collected on that land so far?

IMMIGRATION

HUNGARIAN REFUGEES, ONTARIO—APPORTIONMENT OF SETTLEMENT COSTS

On the orders of the day:

Mr. E. D. Fulton (Kamloops): Mr. Speaker, may I ask the Minister of National Health and Welfare or the Acting Minister of Citizenship and Immigration if he will make a statement regarding negotiations between this government and the government of Ontario as to the apportionment of the cost of caring for Hungarian refugees coming to Canada and going to Ontario?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, the Minister of Citizenship and Immigration (Mr. Pickersgill) intends to make a statement on this matter at the earliest opportunity.

POTATOES

CANADA-UNITED STATES—REPORTED INCREASE IN TARIFF

On the orders of the day:

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, I should like to direct a question to the Minister of Finance. Would the minister elaborate on a statement carried in today's *Globe and Mail*, datelined Washington, February 4, to the effect that the potato tariff may be raised?

Hon. W. E. Harris (Minister of Finance): Well, Mr. Speaker, I said in the house last week that we had entered into negotiations with the United States with respect to the tariff on potatoes, which is of course a tariff that applies in some respects on both sides of the border, but I would not want to give any indication of what the outcome might be. This is a negotiation which has not actually started, in the sense that the parties are not together. The report must have been based upon a notice given by the United States government to the persons interested in the tariff to see the government of the United States first with respect to their interests. After this process has been carried on for I think three or four weeks a decision is taken with the United States government apprized of the thoughts of their producers on the subject.

PUBLIC WORKS

BORDEN, P.E.I.-CAPE JOURIMAIN, N.B.—INQUIRY AS TO PROPOSED CAUSEWAY

On the orders of the day:

Mr. N. A. Matheson (Queens): Mr. Speaker, I wish to direct a question to the Minister of Public Works. Can the minister say what his department is doing to determine the feasibility of the proposed causeway between Borden, Prince Edward Island, and cape Jourimain, New Brunswick?

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, may I take that question as notice?

Inquiries of the Ministry

COMBINES INVESTIGATION ACT

SUGAR—REPORT OF RESTRICTIVE TRADE PRACTICES COMMISSION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): May I direct a question to the Minister of Justice. In view of the fact that the merger between the British Columbia Sugar Refining Company Limited and the Manitoba Sugar Company Limited, which the report of the restrictive trade practices commission recommended should not take place, has already come into effect, what action does the government propose to take to break up this combine in the sugar industry in western Canada?

Hon. Stuart S. Garson (Minister of Justice): I am sure that my hon. friend is aware that all these combines cases involve as a rule very intricate facts and the conclusions arising out of these facts are complex. This report which has been received quite recently is being studied by the department and in due course I will be making a statement concerning it. Until this study is completed I have nothing to say in the matter.

Mr. Knowles: May I ask a supplementary question. When he is making that study will the minister ascertain whether or not the price increases made recently by the Manitoba Sugar Company were made on the initiative of that company itself or were they made at the dictation of the combine in western Canada which is headed by this British Columbia company?

Mr. Garson: It is the practice in all of these cases to go over all the relevant material which is available and if this particular supposition which my hon. friend voices is the fact we will certainly endeavour to confirm it.

Mr. E. D. Fulton (Kamloops): Am I correct in saying that this transaction just referred to is much similar to a transaction in the brewing industry about which similar warnings or cautions were sounded by the department? If so, what is the situation in that respect? Is the government taking any action, because I understand that that merger is now complete.

Mr. Garson: Any similarity between these two I should think would be rather superficial. In the case of the sugar merger the completed merger is alleged by the report to give the resulting corporation control of a large area of the trade. It was found in the beer report, as I am sure my hon. friend who asked the question is aware, that that result did not obtain after the transactions reported in the report had been completed. In that respect the two are quite different.

[Mr. Winters.]

BEER—ACTION TO BE TAKEN ON ALLEGED COMBINE IN WESTERN CANADA

On the orders of the day:

Mr. F. S. Zaplitny (Dauphin): I should like to direct a question to the Minister of Justice. In view of the recommendation of the restrictive trade practices commission that the government should take steps to prevent Canadian Breweries Limited from acquiring control over Western Canada Brewers Limited, and in view of the action of Canadian Breweries Limited in extending its control over Western Canada Brewers, what action is the minister taking to carry out the recommendation of the restrictive trade practices commission in order to prevent the formation of a brewery monopoly in western Canada?

Hon. Stuart S. Garson (Minister of Justice): I wish to thank my hon. friend for having given me notice of his question. The report of the restrictive trade practices commission expressed the opinion that the merger program of Canadian Breweries Limited had been monopolistic in nature and not in the public interest. It also came to the conclusion, however, that Canadian Breweries Limited had not acquired complete or substantial control over the industry in any part of Canada.

Since then, that is since the delivery of the report, the court of appeal in British Columbia has handed down a decision in a Vancouver gasoline case which, if correct, would appear to cast some doubt on whether there is a good case for prosecution in the beer case. The Department of Justice immediately applied to the Supreme Court of Canada for leave to appeal against the British Columbia decision, but the application was refused in October last. A similar point, however, is before the Supreme Court of Canada in the fine paper case. The point is, however, generally speaking, whether substantial elimination of competition constitutes injury to the public under the anti-combines legislation. This is one of the points upon which our decision as to what to do in the beer case turns, and we would prefer not to come to a conclusion in the beer case upon the other point until the fine papers case shall have been decided.

CITIZENSHIP AND IMMIGRATION

INDIAN AFFAIRS—SITUATION ON HOBBEMA RESERVE, ALBERTA

On the orders of the day:

Mr. Carl O. Nickle (Calgary South): Mr. Speaker, I would like to ask a question of the Prime Minister. On January 31 I asked the

Minister of Citizenship and Immigration a question which he answered by stating that he was seeking advice on this subject. Sufficient time having elapsed for his advisers to have given him certain information, would the Prime Minister care to answer the question in the absence of the Minister of Citizenship and Immigration?

The question is this. By what authority, and on whose instructions, was a petition from the Indian Association of Alberta, addressed to the Queen, transferred from the office of the Governor General to that of the Minister of Citizenship and Immigration, and will the Prime Minister now state whether or not his government will send this petition to Her Majesty, to whom it is addressed?

Right Hon. L. S. St. Laurent (Prime Minister): I have not gone into that question at all, Mr. Speaker. I have received no advice from the legal advisers of the Department of Citizenship and Immigration, and I am informed that their report has not yet been completed.

Mr. J. G. Diefenbaker (Leader of the Opposition): May I ask the Prime Minister whether it is not a fact that one of the vestigial rights which Indians enjoy by reason of the fact that they entered into a treaty with the British crown is the right to direct petitions to the Queen, and that it cannot in any way be interfered with, regardless of the relationship which Her Majesty's government in Canada bears to her.

Mr. St. Laurent (Quebec East): If the hon. gentleman has examined those treaties and ascertained that that is the situation, he is further advanced than I am. I have not examined them.

Mr. Diefenbaker: Have you looked into it?

Mr. St. Laurent (Quebec East): No, I have not looked into that question.

Mr. Nickle: Since the Prime Minister has not himself looked into the Indian Act of 1951 and the present case in Alberta, may I ask him, in view of that, who is going to decide this particular question?

Mr. St. Laurent (Quebec East): I hope, Mr. Speaker, the question of fact as to whether certain people who have been residing on this reserve are entitled to remain there will be decided by the courts.

Mr. Nickle: I have a supplementary question, Mr. Speaker. Since the Prime Minister is apparently not prepared to speak for the Minister of Citizenship and Immigration on this question or on questions related to it, can he indicate when the Minister of Citizenship and Immigration will be returning to the house so these questions may be directed to him?

Mr. St. Laurent (Quebec East): I understand that the appeal to put this case before the appropriate district judge has been entered and that it will be dealt with by the appropriate court. As to what day or what hour the Minister of Citizenship and Immigration will be back, I am unable at this moment to say. I will inquire and will supply the information to my hon. friend as soon as I get it.

HOBBEMA INDIAN RESERVE, ALBERTA—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

On the orders of the day:

Mr. Ray Thomas (Wetaskiwin): Mr. Speaker, I beg leave, seconded by the hon. member for Peace River (Mr. Low), to move the adjournment of the house under standing order 26 for the purpose of discussing a definite matter of urgent public importance, namely the callous treatment of 118 human beings through the expulsion of 23 families of the Samson Indian band from the Hobbema Indian reserve in Wetaskiwin riding.

Mr. Speaker: Would the hon. gentleman be good enough to allow his motion to stand for the time being, as I perceive that there are hon. gentlemen who have questions to ask of the ministry at this time.

[*Later:*]

Mr. Speaker: All questions have now been asked. The hon. member for Wetaskiwin (Mr. Thomas) has placed before me a motion in which he asked leave to move the adjournment of the house under standing order 26. Now, the definite matter of urgent public importance is defined in the following matter:

> . . . the callous treatment of 118 human beings through the expulsion of 23 families of the Samson Indian band from the Hobbema Indian reserve in the Wetaskiwin riding.

I am not very familiar with the subject matter referred to by the hon. gentleman in his motion except through what I have heard in this house at question time. It was indicated by answers to questions that there were matters with respect to this problem that were at the moment being considered by our courts. I do not know whether we are talking about the same thing, but I distinctly recall having heard the Minister of Citizenship and Immigration indicate that some of these matters were now before the courts. If that is so, it would not be debatable at this time.

Mr. Thomas: Mr. Speaker, I understood the Prime Minister to say a few minutes ago that he understood it was before the courts. My

understanding is that there has not been an appeal launched up to the present time.

Hon. W. E. Harris (Minister of Finance): May I interrupt to say that is incorrect. At least we received the notice of the appeal on Friday, I think it was.

Mr. E. D. Fulton (Kamloops): This department is always before the courts because of the wrongful action of the minister. A too strict application of this rule would make it virtually impossible to discuss anything coming under the Department of Citizenship and Immigration. I hope you will consider that point.

Mr. Speaker: The hon. gentleman says, "I hope you will consider that point". Would he be good enough to make his point again, because I have not heard it.

Mr. Fulton: My point was that, as Your Honour has remarked, on this and on other occasions when matters concerning this department were raised at the question period, the answer of the minister was that this matter is before the courts. It seems to be a fact that owing to the method of administration followed by the minister his department is frequently before the courts. My suggestion was that a too strict interpretation of the application of the rule that you referred to would virtually preclude any discussion of that department. I hope, therefore, that Your Honour might see that there is room for a distinction here and also that the question to come before the courts need not be discussed, but the position of the Indians themselves might without doing any violence to the rule.

Mr. Speaker: It would be very difficult to administer some of these rules if it happens, as the hon. gentleman says, that the department is often before the courts. In that case the rule would have to be by-passed with respect to that department but enforced when another department is concerned with a motion of this kind. But, having had on two separate occasions since the beginning of this session to reject some of these motions because at the time the debate on the address in reply to the speech from the throne was currently going on, and having made the statement that whenever some of these debates on a motion to go into supply and the debate on the budget are currently going on the practice of Speakers has always been not to accept these motions, I was quite satisfied that whenever a matter appeared to be definite and of sufficient importance I would be inclined to accept them because otherwise I felt that standing order 26 would soon become almost devoid of any sense whatever.

[Mr. Thomas.]

But, on the other hand, there are other rules which must be considered. At the moment I am looking at citation 173 of Beauchesne's Parliamentary Rules and Forms, third edition, which reads:

> The Speaker is bound to apply to motions made under standing order 31 the established rules of debate, and to enforce the principle that subjects excluded by those rules cannot be brought forward thereon, such as a matter under adjudication by a court of law, or matters already discussed during the current session, whether upon a substantive motion, upon an amendment, or upon an order of the day.

Now, it appears from the information given to the house by the Minister of Finance, which seemed to be acceptable to the hon. member for Wetaskiwin, that the matter referred to in his motion is now, as citation 173 of Beauchesne's Parliamentary Rules and Forms says, "under adjudication by a court of law", and in such circumstances I cannot accept the motion. Orders of the day.

Mr. Harris: Mr. Speaker, just so that I shall be correctly reported, I think I said we had received the notice on Friday. I meant yesterday. The notice was received on Monday.

Mr. Stuart (Charlotte): Mr. Speaker, I would like to address a question to the Minister of Public Works before the orders of the day are called.

Mr. Speaker: I am afraid that is not possible at this time because I took up the motion moved by the hon. member for Wetaskiwin after I had understood that all questions had been asked. We have now reached the orders of the day.

POST OFFICE DEPARTMENT

MAIL COURIERS—REQUESTS FOR UPWARD REVISION OF CONTRACTS

On the orders of the day:

Mr. E. B. Huffman (Kent, Ont.): I would like to direct a question to the Postmaster General. Can the minister indicate to the house if the committee on the personnel of the Post Office Department has examined the many requests made by the mail couriers for an upward revision of their contract?

Hon. Hugues Lapointe (Postmaster General): Mr. Speaker, there has been no committee, as such, doing the survey which my hon. friend has inquired about, but I did give instructions to the officers of the transportation branch of the department during the course of last fall—I think it was the end of November or the beginning of December —to make a survey of rural mail contracts now existing between the Post Office Department and rural mail couriers with a view

to making recommendations as to increases in the amounts of those contracts where deemed necessary, and if the hon. member will look at the estimates which were tabled in this house a few weeks ago he will see that the item concerning transportation of mail mentions that it will include an amount to permit increasing such contracts.

I might add that when my colleague, the Minister of Finance (Mr. Harris), tables the final supplementary estimates for this year a similar item will be included so that those contracts which have already been processed can be dealt with immediately.

PUBLIC BUILDINGS

QUEBEC CITY—INQUIRY AS TO TENDERS FOR NEW POST OFFICE

On the orders of the day:

Mr. J. Wilfrid Dufresne (Quebec West): I should like to direct a question to the Minister of Public Works. Have any tenders been called in connection with the construction of the new post office in Quebec city? If so, when is construction expected to begin? If the minister does not know, I can ask the parliamentary assistant.

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, I am aware of the developments there. We are still engaged in negotiations for property and final determination has not yet been made.

Mr. Dufresne: Mr. Speaker, the minister seems to know quite a bit. Maybe he knows a little bit more than does the Minister of Transport. Can he give me any information about the exchange of lots between the Canadian National Railways and the authorities of the city of Quebec?

Mr. Winters: Mr. Speaker, a number of meetings have been held between the officials of the Department of Public Works, the city of Quebec and the Canadian National Railways—

Mr. Dufresne: I do not think so. He was not there. He does not know.

Mr. Winters: —to arrive at a basis for exchanging property. The situation is that the Department of Public Works acquired a property in Quebec which was quite suitable for our purpose, which was the erection of a new post office building. When we were just about ready to proceed, the city asked us to desist on that particular site and to consider another site so that they could develop the site we had in the best interests of the traffic of the city.

Mr. Dufresne: That was a year ago.

Mr. Winters: We told the city we would agree if they would exchange with us another suitable site for the one we now own. That involved negotiations between the Canadian National Railways, the city and ourselves. There are also private property owners involved. The negotiations have become protracted. I can assure my hon. friend that we are following them closely and that I myself was in communication with the mayor within the last few days. I am also aware that the Prime Minister as well has again had conversations with the mayor within the past few days.

Mr. Dufresne: When was that? On Saturday last?

[*Later:*]

(*Translation*):

Mr. Dufresne: Mr. Speaker, I should like to direct a question to the hon. Minister of Transport. Can the minister tell us what progress has been made in the negotiations that were started more than a year ago by Quebec city authorities and the Canadian National Railways for an exchange of lots as a building site for a new post office building in that city?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I am not aware of any negotiations between the authorities of the Canadian National Railways and the city of Quebec, but I shall look into the matter and reply later to the hon. member.

(*Text*):

CENTRAL MORTGAGE AND HOUSING—ERECTION OF NEW ONTARIO REGIONAL OFFICE

On the orders of the day:

Mr. John Pallett (Peel): May I direct a question to the Minister of Public Works. In view of the government's tight money policy, which is designed to restrict home construction, would the minister advise the house what the purpose is in building a new Ontario regional office for Central Mortgage and Housing Corporation at this time, when they already occupy adequate accommodation?

Hon. Robert H. Winters (Minister of Public Works): The hon. member has made two assertions, both of which are incorrect.

Mr. Pallett: Would the Minister of Public Works advise the house what is the purpose at this time in building a new central Ontario office for Central Mortgage and Housing Corporation?

Mr. Winters: Mr. Speaker, that is a fair question, and the answer is to provide adequate accommodation.

Inquiries of the Ministry

Mr. John B. Hamilton (York West): Mr. Speaker, I should like to direct a question to the Minister of Public Works supplementary to that asked by the hon. member for Peel. Does his answer indicate that his department has made an exhaustive survey of all accommodation and that the only way they could provide adequate accommodation was to erect a new building themselves?

Mr. Winters: Mr. Speaker, a survey was made. This survey was made some time ago. Those plans were prepared in 1955, and the building was commenced in June, 1956.

Mr. Hamilton (York West): May I ask a further supplementary question? In view of the fact that the government's policy dealing with inflation has changed, has the minister given any thought to changing those plans?

Mr. Winters: No, Mr. Speaker, I have not.

Mr. Hamilton (York West): If the minister has not given any thought to it, does he expect private business to continue to give thought to it?

Mr. Dufresne: Answer next week.

POSTAL SERVICE

INGERSOLL—LETTER CARRIER DELIVERY SURVEY

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I should like to direct a question to the Postmaster General which I hope he will take as notice. Has the Post Office Department as yet completed its survey of the town of Ingersoll with a view to instituting letter carrier delivery in that town? If so, how soon may letter carrier delivery be expected to commence in Ingersoll?

Hon. Hugues Lapointe (Postmaster General): Mr. Speaker, I think I would have to inquire with regard to that matter. I know the survey was taking place. I believe I communicated with the hon. member and informed him to that effect. As yet, however, I have not had the results of it.

BROADCASTING

PEACE RIVER AREA—PROTESTS OF AMATEUR RADIO STATIONS

On the orders of the day:

Mr. B. R. Leboe (Cariboo): Mr. Speaker, I should like to direct a question to the Minister of Transport of which I sent him notice. Would the minister make a report to the house in respect of the strong protests submitted by amateur radio stations in the Peace river area regarding the suggested change in amateur radio station call letters?

[Mr. Winters.]

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I understand that a telegram was sent to one of the officials of my department complaining about a change which was proposed to be made in the Peace river district. I do not think that the term "protest" should be used because I do not think there is any cause for protest. The situation is that the district has announced that on new applications for shortwave radio stations the call letters VE-7, ATA to ATZ are to be made available but will be obligatory only for new applicants. Those who already have licences and call letters will have the opportunity of changing but no obligation to do so. I would tell the hon. gentleman, Mr. Speaker, that if there are in the Peace river district operators who are now using call letters such as PC, SC, or CCF they will now have the opportunity of changing.

Mr. Leboe: Will we get "L" in place of it?

Mr. Marler: Yes, Mr. Speaker, "L" will be a very popular letter this year.

HEALTH INSURANCE

CONFERENCE WITH PROVINCE OF ONTARIO—INQUIRY AS TO POSITION OF OTHER PROVINCES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question either to the Prime Minister or to the Minister of National Health and Welfare based upon the correspondence between the Prime Minister and the premier of Ontario, which the Prime Minister tabled yesterday. Are arrangements being made for an immediate conference between the two governments to try to reach agreement on matters of detail so that action might soon be taken regarding hospital insurance?

Hon. Paul Martin (Minister of National Health and Welfare): The Prime Minister suggests that I might deal with this question. The answer is yes. While I am on my feet, I should like to add a word. I hope the hon. gentleman will share my pleasure in knowing that the government of Newfoundland has accepted the federal government's proposal.

Mr. Knowles: May I, in expressing my pleasure at the announcement the minister has made, ask him whether he has anything further to say regarding consultations with the government of the province of Manitoba? Are there any discussions between Manitoba and this government with reference to something closer to the federal

government's plan than the disaster plan proposed in Manitoba last week?

Mr. Martin: While I suppose it is understandable that my hon. friend should be curious about his own province, I hope he will be pleased also to know that this morning I had a telephone conversation with the minister of health for Manitoba.

Mr. Knowles: What did he tell you?

Mr. Clarence Gillis (Cape Breton South): I should like to satisfy my curiosity also by asking the minister a question. Press reports indicate that Nova Scotia is willing to accept a national health plan when it is available. Has any official decision been given to the minister's department indicating the wishes of Nova Scotia in the matter?

Mr. Martin: Mr. Speaker, I indicated, I think, a few days ago that the premier of Nova Scotia had been in Ottawa and that this question, amongst others, was the subject of discussion. I did see a press statement some days later attributing to him the observation that when the federal hospital insurance proposal became available he would give it his consideration. Well, of course, the federal proposal has been available now for many months.

Mr. H. R. Argue (Assiniboia): May I ask a supplementary question of the Minister of National Health and Welfare. Can the minister say whether, after a majority of the provinces indicate their willingness to go ahead with the hospitalization plan, at that point the federal government will be prepared to participate in plans that are already in effect in some of the provinces?

Mr. Martin: This question has been discussed in this house so often that my hon. friend knows that when the government makes a proposal, which it has made after careful consideration, it does not seek any excuse for not carrying out the implications of that proposal. No one knows that better than the hon. gentleman who asks the question.

Mr. Argue: I take it from the minister's very involved answer that means the federal government would be prepared to participate with the governments of Saskatchewan and British Columbia immediately in their hospital plans.

Mr. Martin: Last January the Prime Minister of Canada made a statement in this house in which he outlined the proposals of the federal government. I do not think I need add that the Prime Minister, the head of this government, is not the kind of man who, under any circumstances, would shirk from the proposals which he has made.

Mr. Argue: A good thing he made them, then.

Mr. Martin: What my hon. friend is seeking to do is to give the impression that the federal government is not sincerely disposed in the proposal which it made to the provinces. I have indicated today the progress we are making in this matter. I would call to my hon. friend's attention also what the Prime Minister said when speaking to the people of Canada last night about this proposal.

Mr. George H. Hees (Broadview): If the first assertion is true, that the government has sought no excuse for avoiding health insurance, why is it that health insurance has not been introduced since 1919 when it first appeared in the Liberal platform? May we have an answer to that, Mr. Speaker?

Mr. Martin: One of the obvious answers is that in the government of one of the larger provinces there was not the disposition to accede to a proposal, and we are happy that now progress on the part of one of those larger provinces has been made possible.

Mr. Rowe: Is ahead of you.

Mr. Hees: You are hoping. Thank God somebody is progressive in this country.

CANADA COUNCIL

PROVISION FOR ENCOURAGEMENT OF THE ARTS, HUMANITIES AND SOCIAL SCIENCES

The house resumed, from Friday, January 18, consideration in committee of the following resolution—Mr. St. Laurent (Quebec East)—Mr. Robinson (Simcoe East) in the chair:

That it is expedient to introduce a measure to provide for the establishment of a Canada Council for the encouragement of the arts, humanities and social sciences and further to provide *inter alia* that

(a) the Minister of Finance may, out of the consolidated revenue fund, pay to the council the sum of fifty million dollars to constitute an endowment fund for the purposes of the act, and

(b) the council shall establish a fund to be called the university capital grants fund, to which shall be credited the sum of fifty million dollars, to be paid to the council by the Minister of Finance out of the consolidated revenue fund.

Mr. Green: Mr. Chairman, there are three or four questions I should like to ask the Prime Minister concerning this resolution, and the first is this. In 1953 when we had some discussion about the functions of the Canada Council the Prime Minister said, as reported at page 4431 of *Hansard* for April 27 of that year:

There are other matters, too. At one time consideration was given to a Canadian order or medal.

I think the Canada Council, if there should come to be one, should have the initiative of recommendations in that regard . . .

It would be interesting if the Prime Minister would tell the committee today whether it is the intention of the government to make provision for the Canada medal and whether one of the functions of this council would be to make the awards. Also would he tell us what type of scholarships the government has in mind? The Massey commission as I read their report recommended that there should be post-graduate scholarships, fellowships, exchange scholarships presumably for graduates from other countries and, finally, undergraduate scholarships. In at least two of those recommendations mention was made of scholarships in the humanities, the social sciences and law. Is it the intention that there shall be these four different types of scholarships or even more and are they to be restricted to the humanities, the social sciences and the law?

The third question is this. What if any provision is made for advancing the training of engineers and scientists under the work of this council? And finally, would the Prime Minister explain why there is to be a fund set up of $50 million rather than an annual grant? He did deal with that briefly when he spoke on January 18 and I am referring to page 396 of *Hansard* for that date, but I think it would be helpful if we were told in more detail just why the system of setting aside a large sum of money is being followed. I ask that particularly because, as the Prime Minister knows the Massey commission did not make a recommendation of that kind but on the contrary recommended an annual grant. At page 382 of the report of the Massey commission we find these words:

We do not find it possible to propose specific sums; we should, however, imagine that the council would find it possible to perform its varied duties effectively with an annual budget which would constitute a very slight charge upon all members of the Canadian population. We venture to believe that our fellow-citizens would find this investment modest in relation to the returns which, we are confident, they could reasonably expect.

If that recommendation had been followed the result would be to keep parliament and through parliament the Canadian people much more directly in touch with the work of the council. This system of making an annual grant has been adopted in other cases. I think that is what is done in the case of the national research council. I believe they make provision for their scholarships out of their annual vote so there can be a discussion in parliament each session as that money is voted on the question of the scholarships that are being awarded by the national research council.

There seems to be a good deal of questioning as to the wisdom of simply setting aside the sum of $50 million. Once that is done then it passes right beyond the reach of parliament. I submit that Mr. Massey and his fellow commissioners had in mind throughout the report having an annual payment. Perhaps the Prime Minister would be good enough to explain why the other system is being adopted.

Mr. Ellis: Mr. Chairman, I welcome—

Mr. Green: Mr. Chairman, I wonder if I could have an answer to my questions.

Mr. St. Laurent (Quebec East): Well, Mr. Chairman, I know that the hon. member is not the only one who intends to speak and I can imagine there will be other questions. I have no objection to answering right away those questions which he has raised but I thought perhaps they could all be dealt with at the same time. However, if the hon. member prefers that I answer his questions right away and if others who wish to speak have no objection to my taking the floor at this time I will do so.

Mr. Green: I do suggest, Mr. Chairman, it would simplify the handling of the resolution if we could have these answers.

Mr. St. Laurent (Quebec East): Mr. Chairman, there will be no provision in the bill that will be introduced if and when this resolution is adopted that has anything to do with the Canada medal.

The second question was, will there be any determination in the bill of the kind of scholarships that will be provided. There are no provisions or limitations in the bill in that regard except that there will have to be scholarships for the furthering of the objectives of the Canada Council which are to promote the development of the humanities and social sciences and there will be no scholarships for the development or promotion of engineering and scientific research. That is already being done and if it requires to be increased it should continue to be done through the national research council.

Mr. Green: Of course, the national research council does not train engineers.

Mr. St. Laurent (Quebec East): No, the national research council does not train engineers and we should not set up the Canada Council as a university to train engineers or to train any others. It is to give assistance to the institutions that do that work or through scholarships to those who would be benefiting from that work. It is not intended that the Canada Council should establish a school to train any person for advanced studies.

The fourth question was, why is there a fund of $50 million being appropriated at this time whilst that had not been a recommendation made by the Massey commission. That is probably something that went beyond what the Massey commission recommended at that time. It was for the purpose of creating this body in such a way that it would not be subject to frequent pressures in the allocation of the funds which would be placed at its disposal.

I might say that one of the considerations which I had in mind—it was not the governing consideration—was the fact that there had been at the time we were preparing this recommendation for parliament two very unusually large estates from which the collections of succession duties had been made in amounts that could not be considered to be recurring amounts. In connection with one estate the statement had been made more than once by the deceased during his lifetime that he was not making provision during his lifetime or apt to make any under his will for benefactions to public institutions because the succession duties were so high, the proportion of his estate which would be taken in succession duties, if it were thought fit, could be employed on the recommendation of the government by parliament for like purposes.

In the case of the other estate it is not to my knowledge that the deceased had made a similar declaration, but it is to my knowledge that he had made modest contributions to institutions of the character of those envisaged by this legislation. But they were amounts that were quite abnormal and that came into the revenues or incomes of the year when these matters were being considered. That was one of the factors which influenced my judgment in making the recommendation to my colleagues that the Canada Council be provided with this endowment which I hope rather confidently will be substantially increased by endowments from well-to-do Canadians, either as gifts or as a result of testamentary dispositions.

Mr. Green: Would they not be tax exempt?

Mr. St. Laurent (Quebec East): They would be tax exempt, yes. That was the rationalizing of the first of the two deceased I have mentioned who left abnormally large estates.

Mr. Green: To what estates is the Prime Minister referring?

Mr. St. Laurent (Quebec East): It is well known that they are the Killam and the Sir James Dunn estates. They were abnormally large estates. Mr. Killam had stated that if there was a bequest for one of these benefactions it would not incur succession duties, but that if there was not the whole estate would incur succession duties and the government might appropriate such portion as it saw fit to the furtherance of the objectives of these foundations or endowments or institutions which had received consideration from wealthy citizens who felt that they were thus making some return to the Canadian society for the benefits they had reaped from the functioning of Canadian institutions.

Mr. Hamilton (York West): Does the Prime Minister not think that this is setting a dangerous precedent? Are we to be led to believe that if anyone puts a provision in his will that he expects the proceeds of succession duties to go to a certain place the government, having acted in this way, would be under an obligation to do it again?

Mr. St. Laurent (Quebec East): The government would be under no obligation; the government was under no obligation to do it. It did provide a sort of windfall which came I think at a most opportune time. I suppose there will be other windfalls because in spite of the rates of taxation there are growing fortunes in the hands of Canadian individuals, as the hon. gentleman well knows, although that is not based on his or my experience.

There are also other occasions of that kind, but the reason was that I did not feel that the list of those who might be getting scholarships should be a matter for discussion in any kind of political arena and the choice of the kind of scholarships that would be first provided would I hope be wisely made by those who would be selected to become members of this council. Personally I would feel that it was post-graduate work which was most urgent at the present time. The greatest need at the present time in the humanities and social sciences is to prepare a larger number of qualified professors to teach these sciences in our universities. The other measure providing for annual aid of $16 million to the universities might be of some assistance in making university professorships more attractive to the people who would give the best kind of service in professorships in universities.

I would hope that originally a large part of the revenue which would be produced by this endowment would be devoted to the purposes of providing a considerably larger number of qualified professors for the universities because there is going to be a considerably larger number of young men and women looking for the kind of higher education which the universities can provide. Still it was felt that that might not always be the case, that there might be some consideration given to whether or not in certain cases

there should be undergraduate scholarships. It must be remembered that while an endowment of $50 million may look to be quite substantial the revenue from it will not provide a large number of undergraduate scholarships in proportion to the number of undergraduates who will be frequenting our universities.

While the smaller number of scholarships for post-graduate work or even for fellowship scholarships or exchange scholarships with other universities might not loom very large, it might be percentagewise considerable when compared with the total number of qualified professors there are in Canadian universities for the teaching of these sciences. I am disclosing some of the provisions which will be in the bill. I hope it will not be very long before the bill is available to hon. members and I see no point in not doing so when members are personally interested in receiving that information.

Mr. Fleming: May I ask the Prime Minister a question on that point? May we take it from the statement he has made that it is the intention to appropriate the $50 million endowment fund, indeed, both of the $50 million endowment funds, aggregating $100 million, in the course of the present fiscal year, that is to say, that this sum would be in the accounts for the fiscal year ending March 31 next?

Mr. St. Laurent (Quebec East): I would not like to make any commitment in that regard, because that will not be possible unless the council is set up and is operating before the expiry of the fiscal year. The fiscal year expires on March 31. It will not be possible to turn this money over until the bill has been passed and until the council has been appointed and is in a position to receive it, and to accept it under the terms of the act.

Mr. Fleming: I suppose that is a matter of the terms of the bill. But what is the government's purpose? Is it the hope and intention of the government that the bill will have been passed and the council appointed by the 31st of March, and that the $100 million will therefore be appropriated on account to the financial operation for the present fiscal year?

Mr. St. Laurent (Quebec East): I must confess I have not discussed with the Minister of Finance, when, and from what source, the $100 million would come, but I hope that the bill will be passed and that it will be possible for us to secure the acceptance of the required number of members of the council in order that the council may exist as a corporate body before March 31. As I say, I have not discussed with the Minister of Finance where or how the amount would be provided, but I did have in the back of my mind this notion that two unusual windfalls in the form of succession duties occurred toward the end of the last fiscal year and in this year—I do not know whether any of the succession duties were paid before the beginning of this year or not, but I know that a large portion of those succession duties was paid in the course of the present fiscal year.

Mr. Fleming: Would the Prime Minister indicate the amount, so that we might have some conception of the relationship between the amount of these duties and the amount to be incorporated in the bill?

Mr. St. Laurent (Quebec East): My understanding is that it is less than $100 million for the two.

Mr. Diefenbaker: I have just one question arising regarding these estates—these two large estates, duties from which constituted the windfall; everyone knows what they were without our having to identify them. Has the amount of succession duty been determined in these two cases, and has the amount of that succession duty been shown in the surplus for the last year, or is it still to be determined.

Mr. St. Laurent (Quebec East): I know that there has been over $50 million paid in; that is reflected in the so-called surpluses which are shown in the monthly statements issued by the Department of Finance. Those statements include all the receipts from taxation.

Mr. Diefenbaker: Is that one of the estates, or both?

Mr. St. Laurent (Quebec East): I do not have the information with respect to one of them, but I understand that with respect to one something over $50 million has been received in the receipts for the current year.

Mr. Ellis: Mr. Chairman, I wish to make a few remarks at this time, though I am not going to become involved in the type of discussion which has been going on; I think that can be left until the bill is before the house and the committee, and we know precisely what we are discussing so far as details are concerned.

I want to welcome the announcement by the government that it is now prepared to proceed with the creation of the Canada Council. I believe that such a council is long overdue, and I feel that the results of its work will fully justify the effort involved in setting it up, because we have a number

of examples of similar bodies which have brought about considerable benefits at other levels of government.

In Great Britain, of course, a similar body was set up several years ago. It is not my intention to refer, except in passing, to the Arts Council of Great Britain, but I do want to suggest that we in Saskatchewan have been fortunate in enjoying the work of the Saskatchewan Arts Board since 1947, and I feel that the type of work carried on by that board could well set an example to a federal body. I do not wish to go into any details with regard to the many activities carried on by the Saskatchewan Arts Board, but I may say that the board has concerned itself with providing opportunities for Saskatchewan talent to be enjoyed by Saskatchewan people. With that end in mind, concert tours were arranged in order to enable Saskatchewan musicians who had distinguished themselves in other parts of Canada, and, indeed, beyond Canada, to return to their native province and allow their fellow citizens in that province to enjoy their music.

Tours were also arranged for drama groups. A number of years ago the University Players were sponsored by that organization, and these players took good drama into many areas of the province which in normal circumstances would never have had the chance of seeing "live" stage productions. The board has also done considerable work in the field of the visual arts, in crafts and in literature. As one example of the work they carried on, I may say that they conducted a "writers' workshop" a number of years ago under the direction of the famous Canadian author W. O. Mitchell. This was, of course, designed to provide some opportunity for young people who desired to make a career in this field to obtain some of the knowledge required in order to pursue that endeavour.

I think the Saskatchewan Arts Board has more than proven itself as a valuable contribution to the welfare of the province, and I would like to point this out: the people who oppose the idea of the Canada Council are very much inclined to talk about "forcing culture down people's throats" or to make such statements as: "You cannot buy culture." No one is going to disagree with regard to that. It is not a question of trying to "buy culture"; it is a question of providing a climate which will encourage the development of the artist, and this is essentially what the Saskatchewan Arts Board has sought to do during the years of its existence.

I believe this is something which we have to recognize at the present time in this modern industrial age when we are thinking in terms of automation and in terms of making proper use of leisure time; and I believe that as part of our education we should develop the capacity to use this leisure time to the best possible advantage. Certainly, any move which will encourage the development of the artist in Canada is going to enable Canadians to take advantage of such opportunities to enjoy a richer and a fuller life.

It seems to me, Mr. Chairman, that the government has indicated some awareness of the need but I am not satisfied that it is fully cognizant of all that is involved in this question. It is all very well to talk about encouraging the arts. It is all very well to talk about the type of program about which the Prime Minister (Mr. St. Laurent) spoke when he introduced this resolution. But it seems to me that we must be prepared to get down to practical cases. We must do something for these people whose services are indispensable in such a program.

I am just going to refer to one specific example of what I mean. I received something in the mail a few weeks ago. I am sure all hon. members received it. I refer to bulletins from the Civil Service Commission of Canada. These two bulletins happened to be in the same envelope. That is the only reason I am using these two for purposes of comparison. I note that one of these bulletins is headed "Civil Service of Canada Requires Librarians". What are the salaries offered? They are $3,180 to $3,780. They are the salaries offered to graduate librarians. Here is what they require of these people who enter the government service:

Duties (Librarian 1)

Under supervision, to perform professional librarian duties such as reference work, cataloguing and classifying material, compilation of bibliographies, supervision of preparation of material for binding, obtaining data for requisitioning of new material, preparation of reports and correspondence; to train and supervise non-professional library employees; and to perform other related duties as required.

That is quite a tall order, Mr. Chairman. I am sure that we want to get the best people into that field of work. Then the bulletin goes on to describe the qualifications:

Qualifications

A Bachelor's degree in Library Science in a course of recognized standing;

Personal suitability; satisfactory physical condition.

The latter is common in most of these requirements. Then the bulletin goes on to say this:

Note: A certificate or diploma in library science is not considered as the equivalent of degree standing in Library Science.

He must take a degree course which is a post-graduate course after the Bachelor's degree in arts. Then the note continues:

For some positions a knowledge of French and/or one or more foreign languages may be required.

Canada Council

I think you will agree, Mr. Chairman, that the requirements for this job are quite high. Yet for this position the government is offering to pay the miserable pittance of $3,180 to $3,780. They want graduate librarians, persons who have gone through university and obtained their Bachelor's degree, who have gone through a school of library science and all they are offering such people is $3,180.

The other bulletin to which I referred a moment ago is here in my hand. I have no particular reason for picking this one out other than the fact that the two came together but I think it makes a startling contrast. This one is headed "Civil Service of Canada requires Real Estate Assessor". For one classification they offer $3,900 to $4,500 and for another classification, namely technical officer 3, they offer $4,710 to $5,310. What are the requirements for this particular job? They are stated here as follows:

A good general education acquired as a result of general training and experience; . . .

There is no talk of university degrees. There are no great requirements in so far as academic standing is concerned. Yet the salaries are vastly higher than are those offered to people whom we require to have a degree in library science.

If the government is going to indicate its sincerity in its desire to improve conditions in this field, the field with which we are concerned in this resolution, it seems to me that the government must take some cognizance of the need for bringing into line with present realities the salaries of the people who are needed to carry on this program. It seems to me that you cannot expect to undertake the program as envisaged in this resolution if you are not prepared to do the right thing by the type of people you want to attract into the government service. In this field of the Canada Council and the whole related field I cannot think of any more important personnel than the librarians because certainly the library is the focal point of any program which might be envisaged under this plan. In all sincerity I suggest to the government that if they are willing to face up to the need for doing something in this field, it is time they did something about these miserably low salaries.

I realize that we perhaps get applicants for these jobs. In spite of the fact that the salaries are so low, I think these people apply because they are intensely interested in this work. But in order to be fair I think we should not take advantage of them and ask these people to subsidize any program by taking wages which are materially lower than those which they could receive if they entered into other fields of endeavour with the same amount of university training. I think it is a fair request to make that if we are really prepared to go ahead with such a program we must recognize the role which the library plays. Here is one instance in which I think the government could indicate its awareness of the problem before us.

There are other aspects of this matter with which I should like to deal in a general way but I do not want to take up too much of the time of the committee this afternoon. However, I want to make one reference to the question of assistance to the universities. I realize that in the estimates the other day there was an item dealing with an increase in the per capita grant from 50 cents to one dollar. I realize that in this resolution there is some reference to the establishment of the university capital grant fund. But I think there must be some recognition of the need for an over-all program to assist our universities, not a piece-meal sort of arrangement where there is a little bit of assistance granted in this particular field and further assistance granted in some other field. I think there must be a general recognition of the role played by the university in our modern society. I do not think that the government have indicated that they are fully aware of the extent of the problem. I would also say this. You cannot isolate the university from the other fields of education. No matter how much assistance might be granted to the universities, if there is not some recognition of the need for assistance to the elementary and the secondary schools, then of course that program is not going to bring about the maximum results.

I think that the Canadian Labour Congress, in the brief presented to the cabinet the other day, referred to that question quite accurately when, under the heading of "Education", they stated as follows:

The situation in education in Canada at all levels from kindergarten to university has reached the proportions of a national emergency. The problems are acute. If the needs of a growing population requiring more and more education and training in an expanding economy are to be met adequately, the government of Canada will have to share the responsibility with the provinces for marshalling the necessary resources.

Then the congress sums the matter up by suggesting a practical method of going about meeting this problem. They do it in this way:

We ask the government of Canada to convene a dominion-provincial conference on education to consider the problem and possible ways in which federal assistance can be provided.

We have been discussing the universities as though they are a problem apart. I think the number of youngsters who go through

our elementary schools, the quality of the education they receive and the number of graduates from our secondary schools, of course, will determine the effectiveness of any university program in the years which lie ahead. The problem is an immense one.

I think we must consider the proposal which is now before the house in terms of the problem which it professes to meet in part at least. As far as the universities are concerned, we now know that the annual operating costs are about $105 million in terms of increased population. We know that over the next ten years there is going to be required over $300 million in new construction and for operating costs an amount of $1,800 million. That, of course, is based on the assumption that the university population as a ratio to the general population has not increased. But—and this is very important—if we are going to keep pace in the modern world we must increase the number of young people who go on to university.

In order to do that it would require a still further expansion in the plant facilities throughout this country. The university population now stands at about 70,000, and it has been estimated that by 1966, on the present ratio of students to the rest of the population, the university population would amount to about 130,000. If we are going to keep pace with the rest of the world we have to increase that number to something in the neighbourhood of 300,000 students. This will require further construction costing around $850 million and, of course, further extensive operating costs.

When one considers the problem facing our universities, one comes to the conclusion we have to dismiss from our minds any suggestion that by granting the type of assistance outlined in this resolution or even including the increase in the per capita grant from 50 cents to $1 per capita, as outlined in the supplementary estimates the other day, we are going to meet the problem. The government has to face up to the whole problem and that problem has to be met by a comprehensive program aimed at granting assistance to education at all levels. If we do not do that, if we simply go about attacking the problem in a piecemeal fashion, we are going to find ourselves falling farther behind in the output of university graduates. In so far as the resolution does provide for the setting up of the Canada Council which will bring about many of the benefits we desire, and because there is at least an increased measure of assistance to education at the university level, the resolution certainly deserves the support of all members of the house.

Mr. McLeod: I have a few general remarks I wish to make on this resolution. It is some time since it was first introduced to the house, and I have been giving the subject considerable thought since that time. I must say that it is one of those things that the more a person thinks about it the less he thinks of it. I have read with a great deal of interest the introductory speeches, you might call them, by the leaders of the various groups. Of course, the Leader of the Opposition has taken the usual stand that the opposition is there to out liberal the Liberals. We have seen the socialists take a stand at which we are not surprised.

In dealing with this matter there are many avenues from which we could approach it. We hear quite a lot about culture. I must admit that it is something about which I know very little. If I were asked to give a definition of culture, I am sure that I would be at a loss. However, I profess to be an average Canadian with an average education. I like to read some good books and occasionally I do not mind reading one of those paperbacked novels. I enjoy a work of art. I must say that so far as modern art is concerned—I think they call it abstract or something of that nature—I do not understand it. I must admit, therefore, I am not very well steeped in culture.

However, there is one avenue from which we can approach the subject, but I am not going to devote much time to it. There were a couple of phrases which the Prime Minister used in his speech the other day and, to use a slang expression, they made me sit up and take notice. One of those phrases was "spiritual development". I would hesitate to think that we in this country are going to set up an organization that will usurp the functions of the various churches and spiritual organizations that we have. Another phrase that he used was "intellectual world brotherhood". Brotherhood, Mr. Chairman, suggests to me unity and harmony. Putting those phrases together, it would appear that we are going to try to develop harmony with the various other cultures in different parts of the world. We might say that some of these other cultures are not intellectual. Then, we say, who is to say, and what is the definition that will be given?

Are we in harmony, for instance, with the culture in Russia? If we are going to have a world brotherhood, can we eliminate part of the world or are we going to be in harmony with cultures throughout the world and in all their different phases? We can also think of the experiments in state culture. In the not too distant past we had one experiment which was spelled with a "K",

in a country that prided itself on culture. Yet, when the culture came under the control of the state we know that millions of dollars and hundreds of thousands of lives were sacrificed to try to eradicate the effect of that culture from the face of the globe. However, I am not going to labour that because I have a lot of faith in the people of Canada. I believe they will not be led too far afield in their ideologies or too far from their love and respect for personal freedom.

Then, reference was made to the humanities. I tried to ascertain what the Prime Minister meant the other day by his definition of the humanities, but I am afraid I am not much wiser. However, I should like to think of it more as humanitarian. The social sciences I should like to think of as engendering policies that would promote social welfare, family unity, family associations and all those things that go to build up a better way of life for the people of our country.

We heard something about a proper climate from the speaker who just took his seat. He made a worth-while contribution in telling us that we have to have the proper climate before a thing can flourish and grow. He mentioned the Saskatchewan Arts Board, I believe it was, the chief function of which was arranging tours for the works of the artists of that province. In other words, the Saskatchewan Arts Board was making it possible for the artists of Saskatchewan to earn a livelihood. The other day the hon. member for Mackenzie was quite concerned about the number of Canadian artists who were forced to leave this land of ours and go to the south or to Europe because they were unable to earn a living in this country. I would say; if those people are unable to earn a living in this country, then why promote more artists? Why spend money in educating more artists when you have not got a climate in this country at the present time to support those artists? I am sure that we could spend our money to much better advantage than putting through our education mills a number of people in excess of those who can earn a living in this country today.

I say that the holding of a diploma from an arts school or being a qualified dancer will not make your living any less costly or keep you from suffering the pangs of hunger. You must have the dollars and cents to buy the wherewithal on which to live and you must get it from the climate or from the field which is created in the country. In other words, the people of this country, the common Joes who go to the concerts and who listen to these people, have to contribute the livelihood that these people require and to which they are entitled. I do not deny that fact. Therefore, Mr. Chairman, I would say that the first duty of this government is to create in Canada a field in which artists can grow, flourish and prosper. In order to do that I think it will require three steps. We must have assistance given to our whole educational program, starting right at the very bottom. I am surprised that many of the speakers in the debate thus far have coupled with this resolution assistance to universities on a general basis. Yet I know they must know by reading the resolution, that the assistance is certainly going to be very narrow. They speak of university extension, of university bursaries, fellowships, and so on, but they do not couple with that the fact that the bursaries and the assistance the government is going to give will create more artists which the climate of this country cannot support. They also fail to take into consideration the fact that the $50 million to be given to universities is to go for extensions not for dental colleges, or colleges that will turn out trained professional men who are badly needed in medicine and in other professions. It will not turn out engineers. It will build additions and provide equipment that will promote the furtherance of the education of those taking courses in the fine arts. Therefore, Mr. Chairman, I say that the first of the three steps that we must consider is assistance to basic education. Our people must have a general education. I maintain that is the first requisite in order to give our citizens a little better appreciation of the finer things of life. This will require financial and advisory assistance and it will take all the resources this country can provide. It could start with the little red school house and follow up through all the levels of education, not excluding the universities.

I do not want any person to misunderstand me. I am not opposed to university education. We are sadly lacking in it at the present time and we are lacking in facilities. When I speak of education in that sense I am more concerned with general education than with the narrow limits prescribed by this resolution.

I was pleased to hear the hon. member for Rosetown-Biggar refer in his speech the other day to auditoriums that are so widely built in England. Anyway, I would agree with him that the finest addition to a public school building is an auditorium. I say to the committee it is rather strange that we have to go to the west to cite these examples, but the two western provinces are perhaps leading the way in providing auditoriums for our public schools. It is a good thing and I would

very much favour seeing an auditorium in every one of our schools, in the community centres at least.

I now come to step No. 2. I would say that the next important thing, or possibly just as important as a good general educational program, is a health program. I maintain, Mr. Chairman, that in order to have the field and climate in which our artists can prosper and make a living we must have a group of healthy and happy Canadians who can enjoy the work of those artists when it is made available. We look around us and we see the need for research in arthritis, for example, and the need for research in the field of cancer and the fields of heart trouble. I am not belittling what this government is doing at the present time but I think we all agree that they are not doing enough. If we stop and look sanely at this I think most of us would say that until we have reached the stage where we can say to ourselves, we are taking advantage of all the research facilities that we have or that are necessary in this country, we should not be spending the people's money in the promotion of the fine arts.

In my third step I should like to come to something else. In order to give to those artists the security and the opportunities they require, we as individuals must attend concerts. These concerts cost money. You cannot go to hear a great violinist or go to see the Winnipeg ballet, for instance, for 60 cents or 75 cents. Therefore, my third requisite is that we must have economic and financial policies in this country which will assure to our people a way of life which will provide them with sufficient money to patronize the work of those artists, to attend the concerts of those great artists and to give them the encouragement and financial support which is necessary to enable them to stay in this country.

I would stress these things, Mr. Chairman: Assistance and a program of education from the schoolhouse to the university and beyond; a health program that will satisfy all the needs of research in this country; and, lastly, economic policies which will guarantee to each one of us a way of life and an income which will enable us to spend a part of that income to assist financially those artists in earning their own living.

I maintain, as our leader said the other day, that in considering the over-all picture in this country priorities must play a very important part. The things I have mentioned, Mr. Chairman, are priorities which I maintain should be given first consideration. If we reach a stage where we are satisfied that we have provided our people with these three basic needs, then, and then only, should we proceed to spend $50 million to promote artists who at the present time, by admission of the various speakers, have been forced to leave our shores for the financial support they find in other parts of the world.

I just want to say a word or two on clause (b) of the resolution. Under this clause, Mr. Chairman, $50 million will be made available for assistance to the universities. Looking at it from that point of view, a rather noble one, nothing is more needed by the universities of this country. There is not a university in Canada which is able to provide the facilities it would like to provide and which the people are demanding, not for fine arts but to further the basic education which is required by Canadians to lead them to a better way of life and higher standards of health, to prepare them to go into industrial, research and developmental fields and those areas of endeavour which will provide those things to which the people of Canada are entitled and which our great resources and the ability of our people to exploit them entitle us to enjoy. Therefore, Mr. Chairman, I am not against voting $50 million for our universities, but when the $50 million is to be narrowed to capital expenditures for the promotion of the fine arts then I say, in the words of our leader, that we must consider the matter of priorities.

I would say that dental colleges, engineering schools and various other schools and faculties which each hon. member of this house could mention are more entitled to consideration from this government at the present time. And yet, when we ask for these things, we are frequently told, "Oh no, we do not have the money for that; we would infringe on the rights of the provinces."

While I welcome the grant of $50 million to universities I must say I cannot see the need of putting it in the hands of a council. Why cannot it go to the national conference of Canadian universities; are they not able to spend this amount of money? Must we set up another board? I think it is ridiculous, Mr. Chairman, and if it were not such a serious matter in the minds of the people of Canada I think we should laugh the establishment of a council out of existence.

I am not going to belabour you further with my comments, Mr. Chairman, but I have simply attempted to express the idea that in order for culture to flourish, grow and achieve proper fruition we must provide the proper climate in which it can develop.

Canada Council

Mr. Hees: Mr. Chairman, as one who has been urging the formation of the Canada Council for some time, and asking the Prime Minister over a period of two or three years when we might expect its appearance, I am naturally very glad to see the Canada Council become a reality. I am happy, as I am sure all of us are, to see that part of the first $50 million will be used to provide scholarships to make it possible for additional students to become trained in the arts, humanities and social sciences. It seems to me, however, that four categories of people who are urgently needed in this country at this time are not going to receive any help through the Canada Council. I am wondering from where assistance is going to come to train the many additional scientists, engineers, doctors and dentists which this country is in need of now, and will be in need of in the years ahead, in order that our development will not be hampered.

One has only to read any scientific, engineering, medical or dental periodical to learn how short the country is of people in these categories of employment today. I believe that additional technicians and scientists can be trained only if additional training facilities are made available through capital grants, and only if it is made possible for more students to take these courses through scholarships. I want to ask the Prime Minister what plans the government has for making it possible for a greatly increased number of students to take courses in the various sciences, engineering, medicine and dentistry. I would also like to know if the second $50 million mentioned for the use of the proposed council will be available for use by the universities to build additional facilities for the training of scientists, engineers, doctors and dentists, or if that sum will be restricted to the building of additional facilities for training only those interested in studying the arts, humanities and social sciences. I wonder if the Prime Minister would be kind enough to answer those questions now.

Mr. St. Laurent (Quebec East): Mr. Chairman, this resolution is not intended to provide for the establishment of increased facilities for a greatly increased number of students in engineering, medicine, dentistry and sciences. Under the bill that would be introduced if and when this resolution is adopted the $50 million would be for capital assistance to projects that the council would determine to be in furtherance of the general objectives of the council. That would probably be construed as relating to other than specifically engineering, medical, dental or scientific faculties. It would probably be construed as limiting the participation within this $50 million to projects for the furtherance of the study and promotion of the humanities, the social sciences and the arts generally. That was the general instruction given to the draftsmen of the bill and I think hon. members will feel that the general instruction has been implemented, although of course in quite general language, in the bill itself.

Mr. Hees: Well, Mr. Chairman, the Prime Minister has made quite clear the purpose of this bill and how the money will be used. I think we all agree that it is desirable to give this assistance and I do not think any of us are claiming that the proposed assistance is by any means too great to further studies in the arts, humanities and social sciences, and also to help symphony orchestras, ballet companies, art galleries and other cultural activities. I believe we would all agree that this is a good objective, but in view of the demonstrated shortage in this country today of scientists, engineers, doctors and dentists, does the Prime Minister not believe it is desirable that the government should also indicate its willingness to assist in a similar way the training of additional scientists, engineers, doctors and dentists?

Mr. St. Laurent (Quebec East): Of course the making of grants for any of the development work required in the universities eases the situation for all departments. I am sure the hon. member will agree that even if one were to think principally of engineering, medicine, dentistry and scientific research, in expanding in that direction the university would also have to expand its general courses in the humanities and social sciences in order to maintain a proper balance in the curriculum and that assistance given in that special field would ease the situation generally.

I recognize the objective of the hon. gentleman's question. The national research council has not been doing exactly what is to be provided for under this bill, but it is pursuing a similar objective in the scientific field by ways that were, at the time the council was set up, felt to be appropriate. I think it will be necessary to continue and expand the encouragement given in the scientific field, including the four branches the hon. gentleman has mentioned, in order to provide adequately for the material progress which is taking place in this country.

The hon. gentleman will have noticed that the appropriations for the national research council have been steadily increasing and that they have contributed to capital investment of some universities because there were special things required to carry out the kind of research work which the national council wished them to do for the general benefit of

the Canadian economy. That will have to be continued, but that is a field where appeals to private enterprise and private industry have been much more effective than appeals for the development of the facilities for the humanities and social sciences in our universities.

I know of cases, and I am sure the hon. member does also, where pledges for the establishment of what was required in the form of buildings and equipment for engineering have been obtained readily from those who recognize that the companies for which they are responsible will not be able to prosper and develop if there is not that kind of executive ability available for them in succeeding generations. The general tenor of the Massey commission report was that that side of university work has found it much easier to develop than the side devoted strictly to the humanities and social sciences and favouring the development of the arts.

I am sure that everyone agrees the other is very important, but where there is included, for instance, in the general term "social sciences", reference to the law, that is not the law in the form in which it is taught to make a practising barrister, that is the scientific aspect of the law as the rule for proper human behaviour at large, in relations between individuals, in relations between groups of individuals and even in relations between nations or groups of nations.

The same with respect to sociology—it is not for the purpose of giving advice to one little group; it is the general theory of the best way to organize co-operative effort between human beings to produce the best results and have them widely distributed.

There is another aspect, psychology, which is assuming a recognized importance in many fields of human endeavour, particularly in the treatment of some forms of mental disturbance and of habits that are detrimental to the individual and embarrassing to society at large. I think a nation making the material progress that our nation is making at the present time owes it to itself and to the world community to be doing its part in the development of these general sciences that know no national border and that will become available to humanity at large.

Of course everything cannot be done at once. In another zone that is one of the worrisome things at the present time. Perhaps there are too many things in the way of capital investment and capital increment being attempted to be done at once, but here is something which the hon. gentleman who has just spoken will recognize as being of real value. Perhaps in his view the timing is not of the best, nor is the order of priority, but I know from the attitude the hon. gentleman has manifested in the house over the years that he does not think it is too soon to bring in this resolution for the establishment of a Canada Council.

(*Translation*):

Mr. Leduc (Verdun): Mr. Chairman, since the beginning of the present session several members have dealt with our educational problems from various angles and occasionally in unusual ways. In doing so, they chose to repeat in their own way the cries of alarm being raised by educationists, students and even ordinary mortals in expressions of views which are sometimes modest, sometimes unusual but always significant.

Mr. Chairman, anyone closely or even remotely interested in the things of the mind sadly but undespairingly recognizes the existence of a crisis in higher learning in this country.

All right-thinking people, and particularly the Prime Minister (Mr. St. Laurent), know that our cultural progress must be on a par with the advances we have made in the economic field.

Thus it is recognized that there is a crisis on the one hand and that, on the other hand, it is urgent to stimulate the two main cultures of Canada, the sources of its influence, its wealth and its continued well-being.

All who deal with the subject strive to outdo one another. Public opinion is aroused, pressures are exerted, influences and interventions are being felt from all sides, ink flows, tongues loosen, deeds multiply, a state of emergency is declared, there is a rush towards public powers, and, as a last resort, an appeal to the Sovereign, because private enterprise cannot do any more.

Fortunately the government of this country has long realized the seriousness of the problem. With cautious reserve and wisdom, it made known its cultural policy. While recognizing to the provinces the exclusive right to legislate in the working out of the school curriculums, in the establishment of the administrative system and school attendance, and in the provision of appropriate sanctions for the application of their legislation in the areas under their jurisdiction, the federal government, for its part, has persistently asserted its absolute right to levy indirect taxes for all purposes, and direct taxes designed to supplement the consolidated revenue fund of Canada.

The consolidated revenue fund is surely not created and maintained for the purpose of hoarding public funds. On the contrary, the

duty of the state is to contribute to general welfare and to provide for the material, intellectual and moral needs of the nation.

So, Mr. Chairman, it was in that spirit and in the fulfilment of its primary duty that, among other substantial and traditional contributions, the federal government established the National Museum and intends to create additional ones at this very session; that it established the National Research Council through which it has helped and continues to help individuals and private institutions anxious to make scientific discoveries; that each year the departments of Agriculture, of Labour, of Fisheries and of Transports distribute grants, subsidies and scholarships for cultural purposes; that the department of National Health and Social Welfare helps to produce and improve laboratory equipment, to pay tuition fees in connection with training courses in public health or for research purposes in that same field; that grants to voluntary groups as well as scholarships for studies in Europe have been paid and that the subsidies granted to the conference of universities have been increased from $8 to $16 million.

It is still for the sake of culture and for the common good that our government submits today to the consideration of the house its resolution for the establishment in Canada of a Council of arts, humanities and social sciences provided with an endowment fund and with the money necessary for the expansion of our universities until 1967.

All this, Mr. Chairman, is a practical answer to the expressions of alarm to which I referred at the beginning of my remarks on the crisis in higher education in Canada. All this, Mr. Chairman, proves that our country, which has become an international power, does not wish to be solely an economic power but entertains the legitimate ambition, one formally recommended by the papacy, to become a spiritual power among the free nations. It is proud to do this for the good of the world and for the sake of universal peace.

In its declaration published on the 20th of November 1956 on good citizenship and Christianity, the Canadian hierarchy, dealing with the civil power and common good, stated:

> Leaders responsible for political society must therefore not attempt to ensure the particular good of everyone, but to establish external and social conditions which will allow everyone to attain, through his own efforts, that degree of human perfection to which he may legitimately aspire.

Mr. Chairman, in the name of an enlightened patriotism, it is time, indeed it is urgent that a change of attitude take place in some quarters which give signs of what I would call a baneful emotionalism, detrimental to the physical, moral and intellectual development of our student population. If it is true that the federal government has no right to control (and I do say control) education, we must recognize that, under the Canadian constitution of 1867, the federal government has the duty, and even the obligation, to take an interest in education and adequately to promote a higher level of education, of teaching, of instruction and of culture in the various provinces which make up our Canadian nation.

No one can question in good faith the power of the federal parliament to allot, as it sees fit, the general public funds. In fact, our constitutional jurists made the necessary distinction between the power to legislate and the power to spend money.

It is in the light of that essential and basic distinction that the classical colleges for young men and young women of the province of Quebec made the following submission in their brief to the Royal commission on constitutional problems:

> If the various governments provided by the Canadian constitution—federal and provincial governments—are both autonomous, they are also co-ordinated in the achievement of a single objective, in that they are complementary to each other and that only the co-ordination of their activities can result in the general welfare of the Canadian people.

Mr. Chairman, how is that co-ordination of activities to be achieved when, for unavowed and unavowable purposes, provincial authorities are too often prone to complain that their autonomy is being encroached upon? After all, what is autonomy if not, as stated in the dictionary, "the freedom left to the provinces by the central power to administer their internal affairs according to their own laws"?

Now then, is there in Quebec provincial legislation prohibiting the central power from spending part of its public moneys to the benefit of universities and other institutions of cultural or scientific learning? No, Mr. Chairman, there is no such legislation. Besides, according to the constitution, it could not remain on the statute books.

On the contrary, the school code of the province of Quebec, which contains the public education act, provides in section 236 that:

> 236. It shall be the duty of the school boards in each municipality:
>
> 2. to acquire and hold for the corporation all movable and immovable property, moneys or income, and to apply the same for the purposes for which they are intended.

And further on, section 461 of this act provides:

> 461. In every municipality, all sums of money which have not been specially appropriated by provision of the donors, vendors, or others, shall form a common fund for all the schools . . .

It will be seen, Mr. Chairman, that provincial autonomy allows administrators to accept not only those moneys provided by all sources but makes it a duty for them to acquire, to possess and to use them to the ends provided.

Mr. Knowles: Five o'clock.

(*Text*):

Mr. Leduc (Verdun): One minute more, please.

(*Translation*):

Now, the parliament of Canada by its grants to universities, by the setting up of the Canada Council, by its tangible assistance to arts, humanities and social sciences, not only does not infringe upon elementary education at the primary, complementary or secondary levels, but remains well within the limits of its constitutional jurisdiction which is to have nothing to do with the establishment of curriculums nor with the administration of schools. It concerns itself only with the sphere of higher culture which is of national importance.

I can assure you, Mr. Chairman, that if the cultural progress with which the government is concerned infringed in any way on provincial autonomy, I would be among those who would oppose the legislation under consideration at this time.

But that is not my view. Following the expressions of alarm to which I referred a while ago, I am aware—as are our leaders who deserve to be congratulated on their courage, broad-mindedness and sympathetic understanding of our crucial problems—that action is necessary in the field of culture and that, given co-operation, success cannot fail to crown our efforts.

Thank you Mr. Chairman.

(*Text*):

PRIVATE BILLS

LIFE UNDERWRITERS ASSOCIATION OF CANADA

Mr. Donald D. Carrick (Trinity) moved the second reading of Bill No. 14, respecting the Life Underwriters Association of Canada.

Some hon. Members: Explain.

Mr. Carrick: Mr. Speaker, this is a bill to amend the act incorporating the Life Underwriters Association of Canada which was passed in 1924. The bill relates to only one matter, namely the removal of the dollar maximum value on the property that the association is entitled to hold. In the act of incorporation a maximum value of $100,000 was set.

The bill arises out of the purchase by the association in 1955 of a piece of property in Toronto at 224-226 Richmond street west. The property was purchased for $85,000. Since that time there has been a considerable rise in real estate values in many areas in Toronto, particularly in this area; and there are indications that if certain large companies obtain permission to construct on University avenue, which is only one block away, there will be a still further rise.

The bill is not prejudicial or objectionable to the province of Ontario because this association, as is required of all dominion corporations, has obtained a licence in mortmain to hold the land in question. The licence obtained in this case is a specific licence so that no matter what the value of the property may be at the present time, the holding of the property is not invalidated by its exceeding the value on which the fee was based. It only means that if the value of the property goes up, the association will be obliged to pay an additional fee.

Hon. members may note that the bill is retroactive in effect. The reason for this is that it is considered desirable to cover any possibility that the value of the property at the present time exceeds the $100,000 maximum set. No one knows precisely what the value of the property is because there has been no valuation made at the present time but it was thought that it could do no harm to put in the provision which in effect made the amendment retroactive.

Hon. members will also note that in the proposed bill there is no maximum value set on the property that the association may hold. That matter was considered and I think principally for three reasons it was decided to submit to this house the provision which does not fix the maximum value. One reason was that it would provide a little bit of difficulty to know what proper maximum should be set. The association does not wish to be obliged to come back to this house and to make another application, with the expense and time involved. In addition, it was considered that there were sufficient safeguards in the act of incorporation itself to make it unnecessary to fix a maximum. The corporation is limited to holding land required for the actual use and occupation of the association or necessary or requisite for the carrying out of its objectives. It was thought that would effectively prevent the corporation from acquiring land for speculative purposes.

I should perhaps have mentioned the fact that the property in question was acquired for the use of the association itself as an office building. In recent years there have been a number of acts passed by this house in which there was no maximum limitation set on the value of the land to be held. I mention the Canadian Nurses' Association act

of 1947, the Canadian Veterinary Medical Association act of 1948. The latest act which I have been able to find was the North American Baptists incorporation act of 1954. I believe there are other examples that might be cited. If hon. members feel that the bill is not objectionable in principle, it will be referred to the appropriate committee. At that time hon. members will have the opportunity of obtaining any additional information they may desire from Mrs. Helen Tedman who is the solicitor for the association and Mr. Leslie W. Dunstall, the executive vice president and from any others the committee may desire to hear.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, the situation here as outlined by the hon. member for Trinity (Mr. Carrick) seems to be clear. You have a simple situation where property bought for a certain purpose a good many years ago and still proposed to be used for that purpose—a purpose of which I think we all approve—has probably appreciated in value to the point where it may infringe a provision in the original act which provided that property should not be held to a value in excess of $100,000. I do not think it is necessary to labour the matter further. I think the situation has been made clear by the hon. member for Trinity. He has pointed out to us that the bill will go to a committee in any event. It looks to me like the proper place for it to go.

Mr. Roland Michener (St. Paul's): Mr. Speaker, I believe this property in question is in the riding which I have the honour to represent. I am glad to hear that the association's investment in an office building in that constituency is worth more today than it was when they bought it. I see no objection to the purpose of the bill and certainly there is no objection to the purposes of the corporation itself.

The Acting Speaker (Mr. Applewhaite): Is it the pleasure of the house to adopt the motion?

Motion agreed to and bill read the second time and referred to the standing committee on miscellaneous private bills.

TRANS MOUNTAIN OIL PIPE LINE COMPANY

Mr. F. T. Fairey (Victoria, B.C.) moved the second reading of Bill No. 15, respecting Trans Mountain Oil Pipe Line Company.

Some hon. Members: Explain.

Mr. Fairey: Mr. Speaker, this is an act respecting the capital structure of the Trans Mountain Oil Pipe Line Company which was incorporated in 1951. At that time the act provided for the issue of 5 million shares without nominal or par value which would constitute the capital stock of the company. As everybody knows, this company has been extremely successful, so much so that whereas the stock was originally issued at $10, it is now quoted on the stock exchange at something over $100. It is felt by the directors that it is most desirable to try to effect a wider distribution of the stock of the company throughout the country. It is therefore proposed to change the number of shares from 5 million shares to 25 million shares or in other words to provide for a stock split of five to one.

This bill is a simple one. If there are any questions hon. members desire to ask, I shall be glad to try to answer them. However, I am sure that this bill will be examined by the appropriate committee.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, as the hon. member has said, this company was incorporated a few years ago. I presume that this bill amending their charter will go to the standing committee on railways, canals and telegraph lines. At the moment we should like to reserve our judgment on the merits of the bill until we have heard from the officers of the company something of the story of what has been done in the intervening years. We should also like to have the opportunity to question them on this proposal to divide each share into five. For the time being we are satisfied to allow the bill to have second reading in order that it may go to the committee.

Mr. Erhart Regier (Burnaby-Coquitlam): I noted very carefully, Mr. Speaker, the words of the sponsor of this bill when he described the amendment as a very simple one. I noticed also that the hon. member for Vancouver-Quadra (Mr. Green), I assume speaking on behalf of his group in the house, said that they were prepared to endorse the bill at this stage in order that it could be referred to a committee for further study. When we endorse a bill on second reading, I have always understood that to mean we are endorsing the principle of the bill, and the group with which I am associated, the C.C.F. group in this house, does not believe this is a very simple amendment in any way, shape or form and we are not, in any way, shape or form, prepared at this time to endorse the principle of the bill.

In order to have everything on the record, I should like to read the amendment into the record. It says:

Each of the five million shares without nominal or par value constituting the capital stock of Trans Mountain Oil Pipe Line Company, whether such share is issued or unissued, is hereby subdivided into five shares without nominal or par value, so that henceforth the capital stock of Trans Mountain

Oil Pipe Line Company shall consist of twenty-five million shares without nominal or par value.

I am particularly interested in the explanatory note. I feel that for the purpose of presenting our argument we should pay rather close attention to the explanatory note that is offered. It says:

The purpose of this bill is to subdivide each of the shares without nominal or par value into five shares without nominal or par value. The reason for the proposed subdivision is that the company wishes to achieve a wide distribution of its stock among investors in Canada. At January 8, 1957, the shares of the company had a market value of approximately $115 each. This relatively high market price discourages investment by small investors.

I hope to be able to show that the explanatory note is not valid. We cannot agree that the expressed reason is the real reason for seeking permission to subdivide the shares. We are a little surprised, Mr. Speaker, when we note that this pipe line begins in Edmonton and ends in Burnaby, that the government's supporter, the hon. member for Burnaby-Richmond (Mr. Goode), is not the sponsor of this amendment. The company evidently saw fit to go over to the island for a sponsor. I certainly hope that before this debate is concluded the other member for Burnaby is going to rise in his place and express his opinion on this amendment.

I notice that when the company was first incorporated in 1951 the then member for Vancouver South, Mr. Laing, was the sponsor of the bill. The amendment took very little time in the other place, this time as well as last. This time I believe a matter of three or four minutes is all that was needed in the other place. However, the last time we had the hour for private and public bills in this house we came very close to being asked to endorse the principle of this very important amendment without even having an opportunity of seeing it. Had it not been for the hon. member for Vancouver-Quadra's objections, that might have happened. This might be understandable if the government regards the amendment as a very simple one, but we think it is one of major importance.

The arguments this group advanced in 1951, I think, bear some attention at this time. I might say that 1951 was not the first time these arguments were advanced. An amendment moved as far back as 1949 by the hon. member for Cape Breton South (Mr. Gillis) called upon this government to build public pipe lines in Canada rather than aid in the development of private pipe lines. On March 6, 1951, the C.C.F. member for Melfort, Mr. Wright, had this to say, as recorded on page 971 of *Hansard* for March 6, 1951:

It would seem to me, judging by the number of groups who are coming forward and asking for charters to distribute the oil, that those people think there is a lot of money to be made in the distribution of oil in Canada. They are quite right, because experience in the United States has shown over the last number of years that the ownership of pipe lines in that country has been one of the most lucrative parts of the oil business. Tremendous profits have been made from investments in oil lines in that country.

My reason for referring to what the hon. member had to say at that time is the last sentence, that tremendous profits have been made from investments in oil lines in that country. Since Trans Mountain Oil Pipe Line Company began operations it also has made tremendous profits, and we in this group feel that it is the tremendous earnings of the company that are the real cause of the request to parliament for permission to split these five million shares to become 25 million shares. At that time Mr. Wright moved an amendment calling for public ownership of this pipe line. The C.C.F. group and the independent member for Comox-Alberni were the only ones who rose in their places to vote for public ownership of this pipe line. All the other parties in the house voted against it.

Now, what are the events that have taken place since that time? They have really borne out the prediction of the C.C.F. in 1951 that the profits would be very handsome indeed. The events since that have shown that in its initial stages the company did lose money. In 1953 they lost $246,366; in 1954 they lost $1,038,100. However, in 1955 they made a profit of $3,086,172. If one made a careful analysis of the depreciation allowances, which in the first year were $600,000 and in the second year were $3,200,000, one is bound to wonder whether the company ever really lost any money at all.

The great earnings of the company are responsible for the rise in the value of the shares on the market. It has been a real bonanza for one company at least which, in the initial stages, bought a million dollars' worth of shares. They bought 100,000 shares at $10 each and, Mr. Speaker, before one barrel of oil flowed through this pipe line that company sold these shares for $4 million, four times the price that had been paid for the shares, and that was before the company had taken delivery of any oil whatever.

The shares today, as has been mentioned, are quoted in the neighbourhood of $115. That is a very handsome rise in a matter of a few years. If shares can go up 11 times and you multiply your capital 11 times in a few years, you might have very good reasons for approaching parliament and asking for an amendment such as is now being asked for.

I intend to offer an amendment to the bill later on. However, before I do that I should

like to review a little what our expectations were from this company back in 1951. We were assured it was a Canadian company and that Canadian capital would be used. I have not the time to put on the record the exact words of those assurances, but I hope later speakers will do so. Because of the insistence of this house the company was also forced to build a pipe line over Canadian soil from Edmonton to Burnaby in British Columbia. The company eventually did get going and it has been increasing its through-put each year. It has, or could have, a capacity of up to 300,000 barrels a day.

I was present at the opening of this pipe line, Mr. Speaker, and I saw the first oil come out at the British Columbia end of it. I did some rapid calculations in my mind at the time, and I realized that if this pipe line worked at capacity of 300,000 barrels a day and if the tariff rate were 2 cents a gallon—and if for the moment we set aside the cost of operation for a year—the whole of the initial capitalization could be recovered in one single year. That is a fantastic amount of possible earnings.

I know it was said over a year ago that the tariff was not that high, that it was roughly only 1 cent a gallon or 45 cents a barrel. Since I am speaking on this matter, I may say I notice that the board of transport commissioners is taking no interest whatsoever in the tariff rates of this company. The company has not applied to be called, nor has it been declared, a common carrier by the board of transport commissioners. However, my latest information is that the rate is 45 cents a barrel to British Columbia and 47 cents a barrel to United States refineries.

Our parliament, and I think most Canadians, thought in 1951 that this would be a line carrying crude oil through the heart of British Columbia. The Yellowhead pass was mentioned. It was thought that it would play a very major role in the development of the economy of our west coast province. I submit, Mr. Speaker, that the building of this pipe line has had very little influence indeed on the development of British Columbia in the first several years of its operation, because it was not very long after this parliament authorized the formation of this company that it applied for and received permission to build a branch line from South Sumas, I believe, into the United States market. They built a 24-inch branch line off a 30-inch main line, and now we have the natural gas pipe-line episode all over again. The major purpose of the company is to take Canadian natural resources and transport those natural resources out of our country in order to develop another country, from which we must then buy back the finished products at greatly enhanced prices and at terrific cost to our ever-growing trade deficit with that country.

Five million shares were authorized. Those which went on the market were placed there at $10 each. That would have given the company, had they placed all the shares on the market and been able to sell them, which I think they would have succeeded in doing, $50 million. But oh, no; the company did not see fit to finance in that way. I understand, and I am subject to correction, that the cost was $91 million. Ninety per cent of the capital was obtained—that is of $91 million—by way of loans from insurance companies both in Canada and in the United States. The major lender in the United States was the Prudential Life Insurance Company. Ninety per cent of $91 million was loan capital. The balance, 10 per cent, was share capital.

The house was informed at that time that this loan capital which would be needed—and it was put at a much lower figure—would carry warrants for stock purchase with it. I am again subject to correction, but my information is that the loan capital carried no such thing as a stock warrant with it. Instead, the insurance companies were able to obtain a guarantee known as deficiency payments whereby the original shareholders guaranteed the operations to a limited extent. That was the guarantee the insurance companies received before they would advance the capital, but no stock warrants were issued. In fact, the company did not seem very anxious at all to sell those 5 million shares because they sold—these are 1956 figures and I have no reason to think any shares have been sold since—only 1,500,028. Fewer than one-third of the shares authorized have been sold.

The hon. member for Victoria, B.C. (Mr. Fairey) says the object of the company in asking for the stock split is to obtain greater public participation in the affairs of this company. If that were so I should like to pose this question. Why, out of over 1,500,000 shares sold, were only 450,000 offered to the general public? Fewer than one-third of the shares authorized were placed on the market, and of that one-third fewer than one-third was offered to the general public at large. It does not appear to me that the company has heretofore shown any keen desire to have the general public of Canada participate in its financial capital structure.

Oh, the company was gracious indeed to the workers employed. They offered an

option on a total of 4,900 shares. The option expires in October, 1965. The employees have the option to purchase at $38.62½ a share. I do not know what percentage that is; it looks like one-tenth of one per cent of the shares authorized. That is expected to maintain the loyalty of the workers.

I have placed on the record what has already been done by one of the companies which sponsored this pipe line. It has cleared out with a profit of $3 million. What happens if we agree to the stock split? We have no assurance or guarantee whatsoever that any additional shares will be offered to the general public; none whatsoever. However, a stock split, if past experience and observations teach us anything, should teach us that it usually enhances and sometimes enhances greatly the selling price of the shares or of the stock.

It does one other thing; it enables the company to declare dividends, and after the split shares have gone up in price these dividends appear as being much more modest than they actually are or should appear to be.

This pipe line should be declared a common carrier because its rates affect the general public. It is interprovincial in scope, and I understand the rates have been reduced. I am informed that it costs approximately 5 or 6 cents a gallon to ship by rail, whereas it costs only 1 cent a gallon to ship through this pipe line. This should really mean that the price of gasoline to the consumer on the lower mainland should have gone down by at least several cents a gallon. I can assure you that no such decline in the retail price of gasoline or in the price of fuel oil to the householder has yet taken place.

In 1951 we expected that this would be beneficial to the consumers, but it has not proven beneficial, at least in regard to the retail price. We expected and were assured that it would create a large amount of employment in the province, that our refineries would expand and additional refineries would be built, giving employment to many hundreds of Canadians. What has happened? I will grant that there has been a very slight expansion in refining capacity in the lower mainland. I believe practically all the refineries are in my own riding, in northern Burnaby and Ioco; the employment figures there are up since 1951 and I know that production has been increased. I believe one shipload of oil has been loaded at Westbridge, but the bulk of the oil goes south of the border where one of the major shareholders has erected a plant costing $14 or $15 million at Ferndale, Washington, which gives employment to over 1,000 United States citizens. Those workers should be Canadians refining that oil in Canada, at least to the extent of supplying Canadian domestic needs. We in this group have no objection to the export of crude oil from Canada, provided that we do not have to buy back the refined gasoline made from that crude oil which was ours in the first place.

The branch line south of the border was a flouting of the expressed will of the parliament of Canada, which fought very hard for many days in order to obtain the agreement of the government, and the bill was amended to the extent that the line had to be built on Canadian soil for the general good and welfare of the economy of Canada. The company found ways and means of flouting the expressed will of the representatives of the people of Canada in this House of Commons. I can understand at least one reason for their doing so when I examine the tariff picture as it applies to the exportation of crude oil as against refined gasoline. I know the Minister of Trade and Commerce believes it is a fine thing for us to be hewers of wood and drawers of water for the United States industrial machine and this is how the people of the United States make sure we remain hewers of wood and drawers of water.

An hon. Member: Nonsense.

Mr. Regier: With respect to a gallon of crude oil they charge an import tariff of one-eighth of 1 cent per United States gallon; however, when we attempt to export refined gasoline to them the tariff is increased to 1¼ cents per United States gallon.

Mr. Byrne: What is the difference in price?

Mr. Regier: The refining of more of this oil in Canada would help us offset to some degree the growing trade deficit we have with the United States. If instead of allowing this further exploitation and further profit-making by foreigners on one of our natural resources the people of Canada as a whole, through the government, owned the line we could plan the operations of the pipe line so as to develop industrial life in Canada. It could be planned to provide needed employment in Canada, which in turn would create additional purchasing power in our country. It would also help to level out our improper trade balance. The fantastic earnings that we have every reason to expect from this company would belong to the people of Canada, either through reduced prices for the finished product or in earnings from the transport of the fuel. Mr. Speaker, this oil belongs to the people of Canada.

We in this group are not opposed to having those who look for oil and who run the risks involved in bringing it to the surface receive a fair share of profit both for the

risks they take and for the investment of their capital. We have never seriously objected to that, nor have we objected to those who are engaged in refining or retailing oil and its products receiving a fair and decent living, which would include a fair rate of return for their investment and risk. However, we have here a responsibility to the people of Canada when we are dealing with the exploitation of a natural resource that basically belongs to the people of Canada. This oil is their heritage. We also have a responsibility to the national economic development of this country. Therefore, Mr. Speaker, I move, seconded by the hon. member for Nanaimo (Mr. Cameron):

That Bill No. 15 be not now read a second time but that it be resolved that in the opinion of this house consideration should be given to the advisability of bringing the ownership and operation of the Trans Mountain Oil Pipe Line Company under a public agency owned and controlled by the government of Canada.

Mr. Speaker: I do not wish to make a definite ruling at this moment, but in fairness to the hon. member for Burnaby-Coquitlam I should point out that this bill is merely an amending bill which deals with the subdivision of shares. It is not like the bill incorporating the company in 1951. At that time the hon. member for Winnipeg North Centre moved a motion declaratory of a principle different from that which emanated from the bill.

Mr. Knowles: I may have had something to do with that motion, Mr. Speaker, but I believe it was the then hon. member for Melfort, Mr. Wright, who moved it.

Mr. Speaker: The hon. member for Winnipeg North Centre seconded the motion moved by Mr. Wright, the then hon. member for Melfort, whose amendment, as it appears in the *Journals* of 1951 at page 142, read as follows:

That this bill be not now read a second time but that further consideration thereof be deferred until this house has had an opportunity to record its opinion that consideration should be given to the construction and operation of pipe lines by a crown corporation, or by a public agency owned and controlled by the government of Canada.

That referred to a bill entitled "An Act to Incorporate Trans Mountain Oil Pipe Line Company." This is merely an amending bill which deals exclusively with a subdivision of the shares.

Although by virtue of citation 657 it is competent for an hon. member to move an amendment to the second reading of a private bill, it would appear that the other rules relating to relevancy and principle and not going beyond the scope of a bill have to be considered.

[Mr. Regier.]

As I say, I shall allow the amendment to stand until the bill is called again. I hope in the meantime the hon. member will be able to think of some good reasons why his amendment should be considered to be in order. At the moment I do not think it is.

Mr. C. E. Johnston (Bow River): Mr. Speaker, I do not intend to delay the house on this bill because we have been given the assurance that it will be referred to a committee, where hon. members will be able to obtain detailed information. It has always been the custom on an occasion like this that even though a bill may be given second reading and the principle agreed to, when it comes before a committee it is possible to get definite information.

The hon. member for Burnaby-Coquitlam has given quite a long talk on this bill and has quoted figures which no doubt he assumes are correct. However, I think it would be wrong for hon. members of this house to take everything the hon. member has said as being the actual fact. The only place we can get this information is from the company when we are in committee. I am sure everyone in this house will be as interested as the hon. member for Burnaby-Coquitlam in seeing that a fair deal is given.

It seems amazing to me that the hon. member for Burnaby-Coquitlam should be so concerned about a company making a profit. He did point out in the latter part of his remarks that the C.C.F. group were not against a company attempting to bring oil or gas to the surface and they would permit them a fair profit, but he did not say anything about a company which might have a heavy loss in attempting to do that. Would the hon. member and his party be agreeable to compensating a company for the loss it might take in its efforts to bring oil and gas to the surface?

I do not think they would. They would say, "That is a capitalist venture and it must assume that responsibility." It does seem to be a socialist principle that when a product is brought to the surface and there is an assured profit, according to the hon. member—I assume he was speaking for his party—there should be an immediate nationalization of the whole thing. He is saying that they will jump on this because it is a going concern.

It is odd that the socialist government in Saskatchewan does not follow that practice. In the development of oil and gas reserves in that province the premier has given the companies written assurances that there will be no nationalization. If the premier of Saskatchewan, who indicated on occasions

in this house that he was an avowed socialist, has not found it practical to nationalize the oil industry in that province, why should the federal group here be so anxious to nationalize everything once it is a going concern?

There are none of us in this house, and certainly I am not one, who would permit for one moment the exploitation of the public in the development of our natural resources. The fact is that the only resource in the province of Saskatchewan that has made any success is the oil, and that has not been done under socialist practices. In fact they have abandoned all their socialist practices. As I said a moment ago, there would have been no development of these resources if the premier of the province had not given assurances that there would be no socialization or nationalization of those products. It is evident that the socialist program has not been found satisfactory in the province of Saskatchewan. That industry is going to make some progress in spite of their nationalization policies.

The hon. member would lead us to believe that they are the ones who are concerned solely with their responsibilities to the people of Canada. I do not think that can be said in all fairness. Members of other parties in this house are just as concerned as they are with the development of our natural resources. As a matter of fact the one province which has lagged is the one which is under a socialist regime. Any progress that has been made has been due to the assurances of a non-nationalization policy.

The hon. member referred to the tariff regulations. If the tariff on the export of oil is as small as he indicates, why should the company be blamed? If that is so, and we can only assume it is so from the figures quoted, why should the company be penalized? That is a government responsibility, and if that is the case the government should assume its responsibility.

I am informed that this company are exporting manufactured products to the United States. My information is that their refined gasoline is being shipped to the United States to the capacity of their refining facilities. If that is the case that is certainly bringing business to Canada, something that I agree should be done to the greatest possible extent. We should develop our natural resources in this country right through to the finished product wherever possible, and then export those finished products rather than our raw material. However, there is a limit to the extent to which you can go in that regard.

With all the innuendos the hon. member has made he has not produced any facts—

Mr. Ellis: What facts have you?

Mr. Johnston (Bow River): The difference between the hon. member and myself is that I am going to reserve my judgment until I know the facts. I am not going to go around blarneying when I do not know the facts. That is why I say—I hope I have been somewhat successful in convincing the C.C.F. members in this regard—we should reserve our judgment until this bill goes to committee, where we will be able to get the facts. The bill would then come back to the house, and hon. members would be in position to say what they wished to say and form their own judgments on facts rather than on suspicion and innuendo.

They do not even know what the profit has been. They are only assuming that if so much has been taken for depreciation, if so much has been taken for this or that, if the profits were such and such, then tremendous profits were made. Surely you cannot judge a business on such flimsy evidence as that. I think they would do well if they would give a little more consideration to the development of our resources rather than jumping to hasty conclusions and then having to reverse their stand later on.

Mr. Regier: Mr. Speaker, the hon. member has continuously indicated that I have not placed certain facts on the record. I did place a considerable number of facts on record, including the annual recorded earnings of this company and I believe by the rules of this house, the hon. member is bound to accept that until he can produce any evidence in committee to the contrary.

Mr. Johnston (Bow River): Mr. Speaker, I have been in this house too long—

Some hon. Members: Hear, hear.

Mr. Johnston (Bow River): —to take for granted, or to take as fact, anything which is said by some members of this house, and my experience has been that in a case like this the proper source from which to get the facts is not from a member who stands up here and says, "If this is so, and that is so, and something else is so, we can come to a conclusion." Rather, the proper place to get these facts is in the committee, where the persons concerned know the actual position. We can then base our judgment on that.

In the light of these circumstances we are going to reserve our judgment on this bill until we get the facts in committee, and then we will be able to make a very good estimate of the situation.

Mr. T. H. Goode (Burnaby-Richmond): Mr. Speaker, in 1951 I stood in my place in this house and gave my impression of what the people of Burnaby would think of the Trans Mountain Oil Pipe Line Company. Perhaps it was not done very well, but it was loud at the time.

What seems strange to me now is the fact that not one hon. gentleman from the C.C.F. group or from the Social Credit ranks rose in his place to support me. At that time I argued that the Trans Mountain Oil Pipe Line Company had told this house, through the appropriate committee, that it would not sell gasoline or oil through a pipe line to the United States. I brought facts into the house which proved beyond any reasonable doubt that the pipe-line company had told a committee of this house that they would not ship oil to the United States through a pipe line. At that time I said the company had asked the board of transport commissioners to allow them to operate a 24-inch pipe line from South Sumas, British Columbia, to the border to provide oil to a refinery in Ferndale, Washington.

These facts were put on record in this house in the course of a 40-minute speech. In that speech I did the best I could, but not one hon. member, except the hon. member for Kootenay West (Mr. Herridge) who spoke, I believe, for two minutes, supported me in that argument. Now, all of a sudden, because the company is a success in western Canada, these gentlemen rise in their might and say what should have been done years ago.

Mr. Nicholson: I was not here then.

Mr. Goode: You should not be here now. On top of that, the hon. gentleman from Burnaby-Coquitlam expecting he could take political advantage from my absence, mentioned in his speech that I was not sitting in my place—

Mr. Regier: No, I did not. Mr. Speaker, on a question of privilege may I say that I did not indicate in any manner that the hon. member was absent from the house. He himself has placed that on the record.

Mr. Goode: Then, Mr. Speaker, I apologize to the hon. member. I was informed by an hon. member that he had said that.

Mr. Regier: You are misinformed.

Mr. Goode: I have apologized, and I hope the hon. gentleman will accept the apology.

An hon. Member: Hear, hear.

Mr. Goode: I was informed that that was what the hon. gentleman had said. But, Mr. Speaker, after this speech was made in the house, and after these years have passed during which oil has gone from the oil fields of Alberta to Washington to provide employment for United States citizens—employment that should have gone to British Columbia—all of a sudden these gentlemen in the opposition take the view that everything regarding Trans Mountain Oil Pipe Line Company is wrong.

Mr. Speaker, they should have risen at that time and supported me in the argument I put forward. It was a good argument; it was placed on record here, and the facts were straight. Now, all of a sudden, we are going to decide, it seems, in a debate of this kind that the C.C.F. are right and that the gentlemen on this side are wrong. In my view there is only one way in which to find out the facts of this case. I do not know whether I am going along with this bill or not, but there is one place to find out the facts, and that is in the committee on railways, canals and telegraph lines. I reserve my judgment on this bill until I have sat on that committee.

Mr. Carl O. Nickle (Calgary South): Mr. Speaker, I have listened with a great deal of interest to what has been said, particularly to the words of the hon. member for Burnaby-Coquitlam. May I say that I admire his efforts, because very rarely have I heard so well presented such a combination of a little fact, a fair amount of fiction and a good deal of drivel.

My party, Mr. Speaker, has already expressed its views with regard to this pipe line—

Some hon. Members: Six o'clock.

Other hon. Members: It is not six o'clock.

Mr. Nickle: I would like to devote such time as the house will permit to commenting specifically on some of the points which were raised by the hon. member for Burnaby-Coquitlam. As to the immense profits from the pipe line which he refers to—and I am not a shareholder in this company—I would say this. It did operate at a loss for two years, and it made a profit in the third. The company made a loss on the first years of operation because it could not move enough oil to a large enough number of customers. In the third year it made a profit because, in the interim, a number of the shareholders discovered more oil fields in Alberta from which to provide a product which could be marketed, and two other shareholders decided to go into the refining business in the Pacific northwestern states. Other shareholders decided to embark on a modernization and refinery expansion program that, in five years, has more than doubled the refining

capacity of British Columbia. This is a program which has made your own province—and I address the hon. member for Burnaby-Coquitlam—self-sufficient in petroleum, and has more than doubled the employment and revenue attributable to this industry. The same is true south of the border, yes, but it was mentioned that this pipe line—

Mr. Speaker: Order. I was going by another clock, because there are two clocks which are not in accordance with the one in the centre of the chamber. The Clerk's watch is always right, so the time is now six o'clock. Shall the house revert to the business it was conducting before five o'clock?

CANADA COUNCIL

PROVISION FOR ENCOURAGEMENT OF THE ARTS, HUMANITIES AND SOCIAL SCIENCES

The house resumed consideration in committee of the following resolution—Mr. St. Laurent (Quebec East)—Mr. Robinson (Simcoe East) in the chair:

That it is expedient to introduce a measure to provide for the establishment of a Canada Council for the encouragement of the arts, humanities and social sciences and further to provide *inter alia* that

(a) the Minister of Finance may, out of the consolidated revenue fund, pay to the council the sum of fifty million dollars to constitute an endowment fund for the purposes of the act, and

(b) the council shall establish a fund to be called the university capital grants fund, to which shall be credited the sum of fifty million dollars, to be paid to the council by the Minister of Finance out of the consolidated revenue fund.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Green: Mr. Chairman, this afternoon the Prime Minister explained the thinking behind the setting up of this fund. There was one point that I wish he would clarify to some degree. He said there would be this $50 million put into what is known as the endowment fund for the council, and another $50 million put into the university capital grants fund, both funds to be administered by the council. Then he went on to say that he hoped private individuals would contribute during their lifetime or leave money to these funds. He did not make it clear whether he had in mind that this would apply to the two funds on the same basis, or whether it was only for the endowment fund for the use of the council as distinguished from the university capital grants fund. I wish he would clear up that point and one other.

As I pointed out this afternoon, there has been some criticism because there is not an annual grant. In order to get around that problem, would it not be possible to have some sum put into the estimates each year, even though it were a comparatively small sum, and shown as a grant to the council? That would enable parliament to keep in touch with what the council is doing, and to make suggestions. I think it also would be more nearly in line with proper parliamentary government than is the present plan, which is exclusively one of setting aside a sum, a procedure which takes parliament right out of the picture unless the council should come back for further capital funds. I should like to have the Prime Minister's reaction to a suggestion of that kind.

Mr. St. Laurent (Quebec East): Mr. Chairman, with respect to the first question may I say this. The bill will provide that the council may receive donations or legacies; and if it accepts them, it will be bound to comply with the terms set out by the donor or testator as to the use that should be made of those funds. What place the donations or legacies will occupy will depend upon their terms. Of course, if it were a donation or a legacy to do something foreign to the objectives of the council I assume the council would decline to take the responsibility of administering the amount involved. However, it will be bound to comply with the terms fixed by the donor or testator in respect of the amount comprised in the donation or legacy.

Mr. Green: Suppose a testator merely leaves $500,000 or $1 million to the council. Would that money be divided equally between those two funds?

Mr. St. Laurent (Quebec East): No. I assume the council would treat anything it received in general terms as something to be added to its endowment fund.

Mr. Green: And not to the university capital grants fund?

Mr. St. Laurent (Quebec East): And not to the capital grants fund for assistance during the period of 10 years in the provision of capital improvements to the university plant, if I may use that kind of a word in connection with a university campus and the establishment.

The bill will also provide that these accounts are to be audited by the Auditor General, and he is required to submit a report of his audit to the council and to give a copy to the minister designated by the governor in council as the minister who will report to parliament on the activities of the

council. It will, of course, be within the power of parliament to make any supplementary additions that may afterwards be found to be in the public interest to the funds placed at the disposal of the council; and it will always be possible—as is done, for example, in connection with the reports of the railways or other transportation companies—to ask to have the reports referred to one of the standing committees of the house or to a special committee set up for that purpose.

Mr. Green: It is extremely unlikely, though, is it not?

Mr. St. Laurent (Quebec East): It may seem to be unlikely, but I would not want to predict that the situation in Canada will not develop so rapidly that there will be a feeling among the public that something additional should be done. When dealing with the university grants, that will be an annual item in the estimates, or at least I hope it will be an annual item in the estimates. I am sure there will be references to this audit of accounts of the Canada Council which is to be tabled within 15 days of its reception or, if it is received when parliament is not in session, within 15 days after the opening of the session.

I think a proper balance has to be maintained between the very proper concern parliament will have about the activities of this Canada Council and the degree of freedom in administration that I think is desirable in order to get people to serve. There will be no pecuniary remuneration for the services rendered other than to the chairman, the vice chairman, the director and the assistant director. The others will receive merely their travelling expenses in attending the meetings. It will be a service that I think the Canadians who will be invited by the government to form part of the council will feel is of real value to their fellow citizens, and of such a character that it will be a tribute to them to be invited to perform it. I think the activities of the council will be activities of value and concern to the Canadian population generally, and that those who will be invited to perform this service will feel that way about it.

I want to renew the assurance that the selection of those who will serve will be made without any consideration being given to party political affiliations. I want to assure the house that I will do my best to see that we get the kind of council that will have real prestige with the Canadian public, and will provide a very convenient channel for those who feel they will want to make some substantial contribution to the furtherance of the objectives for which the council is created. I would hope to see this endowment grow, and perhaps in the first years I would hope some would feel that, instead of adding to the permanent endowment, they should add to the income of the endowment for expenditure in the current year or years.

I am sure we all feel there could be used to the real and lasting advantage of the Canadian nation more than the income the $50 million endowment will provide. There are a great many public spirited citizens of Canada who, I think, share the views to which I am giving imperfect expression, and who feel that there is the need for attention being given to that phase of Canadian development. We know that at the present time the prestige of Canada throughout the world stands at a high level because no one has any misgivings about our ambitions or about the possibility of our wishing to exercise undue influence over others.

I think the development that will be brought about by stimulating this phase of Canadian activities will not fail to add to the prestige of Canada. I am not speaking of the prestige of Canada because of any pride or anything of that kind, but I think the prestige of Canada is something that is useful in the political atmosphere of the whole world, because it so happens that in no part of the world are there misgivings about the ambitions of Canada as a nation.

Mr. Green: The feature of the plan which worries me is the fact that parliament is to have no control over these activities for a period of some years. The Prime Minister has just said that when the grants to universities are under consideration he hopes there will be a discussion of the work of the Canada Council, but I point out to him that the ordinary yearly grants to universities have nothing to do with the Canada Council. They are made direct to the national conference of universities, and I feel we would find we would be out of order in discussing the activities of the Canada Council under that vote.

Once more I suggest to the Prime Minister that the problem could be met by having a vote, even though it is a small vote, brought in each year in the estimates. This would make it possible to have a discussion of this matter. The Prime Minister seems to be afraid that the appointees to this council will not wish to accept appointments if parliament is to review every year what they do. I believe their reaction will be just the opposite. They will like to have their work made known in parliament and made known across the country as the result of discussion here.

After all, there is no reason why they should be above having their work discussed in parliament. The Prime Minister will, I feel, admit that in the case of all boards or bodies of this kind, their work is reviewed in parliament each year in a very sympathetic and understanding way. I feel confident that men of the calibre who will serve on this council will be only too glad to have their work reviewed here every year and to get suggestions from the members of the house. I hope the government will give consideration to some plan of that kind, which will make it possible to have a discussion every year on the floor of this house concerning the activities of this council.

Mr. Diefenbaker: I have listened to the explanation of the Prime Minister concerning the reason the present system of endowment is being set up rather than provision for an annual budget being presented to parliament. Frankly, I am not impressed with the reasons given by the Prime Minister. They seem to lack cogency and force, and they are certainly not based on the experience Britain has had in connection with a similar body.

As the Prime Minister mentioned the other day, Britain set up an arts council. It was established in 1946 by royal charter, and consists of not more than 16 honorary members appointed by the chancellor of the exchequer in consultation with the minister of education and the secretary of state for Scotland. Its main duties are to increase the accessibility of fine arts to the public; to improve the standards in the fine arts, and to advise and co-operate with government departments and other organizations in any way connected directly or indirectly with these projects. There is an amount annually voted to the British council by parliament. It amounts, at the present time, to some $2.5 million a year, and is determined afresh every year. The council presents to the chancellor itemized accounts of the subsidies believed necessary to maintain the organizations and carry into effect the responsibilities of the council.

When the Massey commission made its report, above everything else it demanded, in effect, that parliament should not be circumvented by setting up an organization which would have no direct responsibility to parliament. At page 377, without quoting again this part in its entirety, the report says:

> We should also consider it a misfortune if this Canada council became in any sense a department of government, but we realize that since this body will be spending public money it must be in an effective manner responsible to the government and hence to parliament.

Then a little later on, at page 382, it says this:

> . . . we do not doubt that there would be public support of parliamentary action in making adequate funds available to it. We do not find it possible to propose specific sums; we should, however, imagine that the council would find it possible to perform its varied duties effectively with an annual budget . . .

I cannot appreciate the explanation given by the Prime Minister. It looks very much as if the government finds itself more or less embarrassed by the size of the surplus it has this year, and is taking this means of disposing of it to the extent of $50 million.

In so far as this council is concerned, I can see no reason why parliament should be denied, as it will be denied, control year by year over the expenditure, and any say whatsoever over the conduct of the council in the discharge of its responsibilities. Certainly our experience in recent years in the setting up of crown corporations and the like has been that more and more of those crown corporations become independent of parliament and make but a perfunctory report either through the instrumentality of the examination by the Auditor General or in the form of an annual report.

The result is that parliament more and more ceases to have the power and authority to examine the expenditures of money advanced by the people of Canada. Certainly the trend that has been so apparent in recent years toward circumventing parliamentary control by the setting up of governmental bodies ostensibly responsible to the government and to parliament, but in effect not responsible to parliament, must have been in the minds of the Massey commission. After extensive consideration that commission recommended that this council should be required by annual grants to owe a responsibility to parliament.

I can see nothing in the arguments advanced by the Prime Minister that in any way detracts from, or lessens the need, of parliament having an overriding control by examination and consideration of the estimates year by year. I certainly am in favour of the setting up of this council. It is needed. The work it will do is necessary for Canada and its prestige; but there is no need, however beneficial the organization may be and will be, to set aside parliamentary control. This is but another example of the accelerating rate at which parliament more and more becomes less and less important as organizations are set up that become little governments unto themselves.

I ask the Prime Minister to give reconsideration to this. The Massey commission

considered it at length. Five years have gone by without action. Now when action is taken one of the major recommendations of that commission is being ignored. Why should the government in its wisdom that parliamentary control, indirect as well as direct, will be restored by the simple expedient of requiring the council each year to place before the house and the country a statement of its stewardship and its requirements for the ensuing year. Certainly the fortuitous circumstance of the death of very wealthy men is no answer. Parliament of its own volition should not cancel out its duty of making careful examination of moneys voted by parliament to assure that they are satisfactorily expended and are subject to the examination of the people's representatives.

Mr. St. Laurent (Quebec East): On reflection I do not think the hon. gentleman will consider that his first remark, that this was probably done because the government felt that it was going to be embarrassed with a surplus—

Mr. Diefenbaker: You waited for five years.

Mr. St. Laurent (Quebec East): —and had to tuck it away somewhere, was fair. I do not think it is worthy of the discussion on this Canada Council.

Mr. Diefenbaker: Why did you wait five years?

Mr. St. Laurent (Quebec East): We waited five years because we did not think the time was appropriate to find the kind of a body that would respond to the desires of the public, and five years ago there was not the general realization that there is today of the utility and permanent value to the Canadian nation of the work that will be done by this council.

Good things are not always recognized as good things by everybody at the same time. It takes some time for public opinion to bring itself to realize that and to support them. I would imagine that there would now be almost universal support for the council. We have heard some criticism in this house; but there will be the same percentage of support for this council among the Canadian public, whether that part of the public calls itself Liberal, Progressive Conservative or C.C.F. It may not be so with the other group, if we are to judge by the opinions we have heard expressed here; but this is something to be regarded not as a political question in the ordinary sense. It is going to be regarded as something that parliament generally, in its appreciation of the circumstances of the day, looks upon as a wise step to take at this period of our development.

[Mr. Diefenbaker.]

Why should there be this endowment instead of the requirement of having an annual vote recommended? The hon. gentleman must remember that no vote can be considered by parliament unless it is first recommended to parliament by the government. Personally I did not feel that the members of this council should be in the position where the government of the day—whether it be this government or a government formed by my hon. friend, if that ever happens, or formed by some other group in the house—would be able to say, "Well, now, this is the situation. You get nothing unless our views are met".

We will give careful consideration to the suggestion made by the hon. member for Vancouver-Quadra; and if it becomes necessary, in order that there may be a discussion every year of the activities of the council, to do as the hon. gentleman has said, have a small vote that will make it a proper subject for discussion. I think it will be a good thing for the council and a good thing for Canada that the interest of the public be maintained in the activities of the council by having a discussion in this forum. I would be surprised, though, if even in discussing the university grants hon. gentlemen did not find, with their usual ingenuity, that it was possible to make what was taking place in the whole university world in Canada a part of the discussion.

Mr. Green: Some of this money is not being spent in universities.

Mr. St. Laurent (Quebec East): Well, that may be; but if it is found that in order that there may be a proper discussion of the report tabled by the Auditor General on the activities of the council there should be some item in the estimates that would effect that result, it would not need to be a large item. It would not need to be something that in any way could be looked upon as affecting the independence of this body with respect to the income of the endowment.

That income could not be cut off at any time. They will always have the income of the endowment, and they can plan with the certainty of having that income.

Consideration will be given to the hon. gentleman's view, because I think as he does that it will help the council to maintain public interest in its activities by having its affairs discussed in this forum, and ways and means will be found of realizing that. At the same time, however, I would not want them to be put in the position where they would feel that every year there had to be the blessing of the government of the day in the fact that they received anything at all with which to operate for the coming year.

I think it will be found that parliament will take continued interest in the operations. Hon. gentlemen will find in the bill that the accounts are to be audited by the Auditor General, and he has to make his report to the minister, whose duty it is to produce it to parliament, at the same time he makes his report to the council itself. Under that practice I think we will have a situation which will make for the full independence of the members of the Canada Council. I believe it will be found that they will be only too happy to have their activities discussed in this forum, and they will be equally happy to have something upon which those who might be more generously inclined toward them than the government could centre their recommendations for increases. We wanted to set up something wherein there would be an area in which they could operate, but where there was no assurance that if there were deficits that went beyond that area, parliament would pick up the slips. Had that suggestion been made to the Massey commission I am quite sure it would have received favourable commendation from the commission. If they had had the suggestion of the hon. member for Vancouver-Quadra they might have added something of that kind which would make it necessary to have special consideration given to their activities each year, but I do not think there should be any objection to their having something that is not dependent upon the attitude toward them in any special year of the government that happens to be in office.

Mr. Knowles: What about secretarial expenses and that sort of thing; might not some vote for that purpose be necessary?

Mr. St. Laurent (Quebec East): The bill provides, of course, that their administrative expenses are taken out of their own funds, but there could be something of that kind. There are a dozen ways in which some special vote could be provided if it is found that it is required in order to make it proper that there be a discussion of their activities as disclosed by their own report and by the report of the Auditor General.

Mr. Hansell: Mr. Chairman, according to the discussion which has taken place in the committee the resolution before us appears to be generally acceptable, but that does not mean to say it should pass without full examination which will perhaps bring out other facets of the subject under discussion.

The resolution of the Prime Minister to establish a Canada Council for the encouragement of the arts, humanities and social sciences appears to embrace a considerable amount of territory. I am not convinced that the people of Canada as a whole are too well informed about what it all means. I think perhaps the people as a whole understand the phraseology used respecting the arts. I believe it would be correct to say that nearly everyone understands that the arts include such things as literature, painting, music, the opera, the ballet and other cultural activities. When it comes to the terminology "social sciences," I am not sure that the general public readily understands what is meant by that term. If one has had anything to do with education, with public school life, high school life or university life, one would perhaps readily recognize what is meant by the social sciences.

I have one or two comments to make with respect to the social sciences that are taught under what is known as the system of progressive education. I hold in my hand a book which was given to me entitled "Education or Indoctrination" by Mary L. Allen. The story was written as the result of considerable discussion that took place in the city of Pasadena, California, concerning their local educational activities; and the book itself, of course, lays the foundation for the story. It appears that the people of the city of Pasadena became so incensed at the inroads socialist thought was making into their educational system that they made an issue of it, the result of which was that many educationists had to resign their posts. I may say something about that a little later.

In reading this book through I came to a very pertinent paragraph in respect to what are termed the social sciences, generally speaking. The paragraph appears at page 24 and reads:

> In 1940 Dr. Ralph Robey made an examination of 600 social science textbooks in high schools. He declared, "A substantial portion of the social science textbooks now used in high schools tend to criticize our form of government and hold in derision or contempt the system of private enterprise. . . . There is a notable tendency in the books to play down what has been accomplished in this country and to stress the defects of our democracy.

In that paragraph lies a great story. I agree with that definition, for I personally have read some of the social science textbooks which my children have brought home from high school and public school, though in the public schools the subject is much more simplified. It is a subtle sort of thing; it is something that is difficult to combat. Nevertheless in principle that paragraph gives the explanation of what I would call the damage that can be done by a type of socialist thinking that is beginning to permeate our educational institutions.

So much for the arts and so much for the social sciences. How about the humanities?

I doubt very much whether there is one person in a thousand in Canada who can define what that means. In fact when the Prime Minister was introducing his resolution the other day and referred to the humanities the leader of this group asked him just what he meant by the humanities. The Prime Minister replied, and I quote from page 398 of *Hansard* of January 18, as follows:

> What I refer to is the study and, I hope as a result of the study, the acquired knowledge of the treasures that have been provided by the experience, studies and philosophies of past generations. When I say "past generations" I mean the generations that have succeeded each other for many thousands of years in the world. I mean that general knowledge of proper human behaviour that results from the accumulated experience of mankind since history has commenced to be written and not those special things that prepare for the exercise of a special avocation or profession. I mean the general broadening and training of the human mind so that the human individual whose mind it is may have as great benefit as one can derive from the accumulation of lore and knowledge over the centuries.

That is quite a definition, but I doubt if one in a thousand could decipher it. In fact, in giving that definition the Prime Minister had to repeat three times the words "I mean". I am going to suggest what he meant, and I am not putting words into the Prime Minister's mouth. I can puzzle my way through the definition and perhaps understand it. The Prime Minister is a very able gentleman; no one will doubt that. I will tell you what I think it means. It means rewriting history.

An hon. Member: No.

Mr. Hansell: I will tell you before I get through why I say that is what it means. What is the historical background of this proposal for a Canada Council? I ask that question and I am going to attempt to answer it myself. It goes back to the bringing into existence of the United Nations at San Francisco in 1954,—I mean, 1945.

Mr. Knowles: The hon. member has not even read history.

An hon. Member: Rewriting history.

Mr. Hansell: I can wait just as long as I am being interrupted. I do not care how long it takes me, I am going to say what I have to say. When the charter of the United Nations was adopted certain specialized agencies were set up. These agencies have played their parts throughout the years and have done some considerable and good work. One of the specialized agencies was UNESCO. What has it been doing? What has it attempted to do? I turn now to the report of the Massey commission, and I read at page 246 what is said to be the objective of UNESCO. It is most admirable. I quote from the report as follows:

> UNESCO has as its objective a peaceful world, to be made a reality by peaceful means.

I must say that is commendable, and I think all will agree. But let us look a little further down on the same page of this report, where it refers to UNESCO again and says:

> The enthusiasm of its promoters, convinced that "wars begin in the minds of men", took the minds of men as UNESCO's area of activity.

I want hon. members to notice that. In the first place UNESCO had as promoters men who laid down as a fact, which I claim is not necessarily a fact, that wars begin in the minds of men. The report says that on the basis of that bit of philosophy UNESCO took the minds of men as its area of activity. That is most important. When the Prime Minister introduced this resolution we listened carefully to what he had to say, but it is rather significant that in his speech he made no mention whatever of UNESCO. It was not until the hon. member for Saskatoon attempted to elicit from the Prime Minister the relationship between UNESCO and the Canada Council that the Prime Minister broke his silence on that particular point. Let me read what the leader of the Social Credit group said in his reply, and I quote from page 409 of *Hansard* of January 18, as follows:

> May I suggest that the original purpose for which UNESCO was set up was, perhaps, praiseworthy, and its objectives were praiseworthy, but I am going to say to you that men and women of dishonesty of purpose got hold of it, and they have made use of it as an instrument of subversion and brainwashing.

Now, Mr. Chairman, I wonder if there is any evidence to prove a statement of that kind. I think there is. I think there is plenty of evidence that UNESCO is the instrument used by intellectual socialists in their planning to indoctrinate the minds of men in order that they may expedite what they visualize as a new world socialistic order. I am as convinced of that as I am of anything I can be convinced of, and that is why our good neighbours to the south have had considerable trouble in their educational system respecting this very matter.

I have an article here which I cut out of the *Christian Science Monitor* some while back, in which the writer gives the story of an upheaval which took place in the state of Texas because the UNESCO program was beginning to infiltrate the school curricula of that state. And, I may say, the writer of that article was complimented later in a letter written to the *Christian Science Monitor* by a judge who had examined the whole story very closely. This is something that

happened in the city of Dallas. What does this article say? I will quote only a little of it:

> Meanwhile, the Dallas school board, taking cognizance of the increasing attacks on textbooks, has urged that specific books be identified. The board has assured Dallas parents that if they consider any textbook subversive, the board will make a thorough investigation. . . .
>
> In Houston, the dispute over school curriculums played a big part in the school board election last November 4. An anti-UNESCO group, the Houston committee for sound American education, put up four candidates. Its platform was committed to "save the schools from socialism".
>
> The committee was made up of business and professional men, minute women, and others. It circulated literature charging that "there is a conspiracy spreading throughout . . . the United States which bodes evil to your child" and that "this conspiracy bears all the evidence of capturing the child's mind by indoctrinating him with ideals foreign to the American way of life."
>
> The windows of offices were placarded with a message which read: "Citizens of Houston, save your schools from the dangerous influence of UNESCO".

And note this, Mr. Chairman:

> Two of the committee's candidates were elected to the school board. One of them unseated a member who had served for 22 years.

I could read a good deal more from that article, Mr. Chairman. Not only were the citizens of the state of Texas incensed by the inroads that UNESCO influence was making into their educational system, but the cities of Pasadena and Los Angeles became so outraged that they got the state legislature of California to set up a special committee to investigate the sort of thing that was going on in their schools.

Now, Mr. Chairman, let me read you one or two more things in connection with this. I may say that the committee of the California state legislature which was chosen to investigate this matter published several reports. The eleventh report of the California committee on education contains some 200 pages of rather revealing material.

The Chairman: Order. I am extremely sorry to interrupt the hon. member. I have been following him quite carefully. I understood him to say that he intended to trace the history of the Canada Council, but I am afraid that for the past several minutes he has been dealing almost entirely with UNESCO which, of course, is strictly irrelevant to this resolution, and I would be much obliged if the hon. gentleman would co-operate by dealing with the resolution which is before the committee at this time.

Mr. Fulton: He is down in California now.

Mr. Harkness: I thought he was talking about the pyramids.

The Chairman: Order.

Mr. Hansell: Mr. Chairman, I was attempting to trace the history of the Canada Council by taking it back to the United Nations.

The United Nations, you will recall, established several agencies, one of which was UNESCO. I then went forward and said that UNESCO had been attempting to establish certain commissions and agencies in various member nations; and this Canada Council is the body that is to be established in Canada to help to promote the UNESCO program as far as Canada is concerned.

Some hon. Members: No.

Mr. Hansell: You may shake your heads, but it is in the Massey report, and the answer the Prime Minister gave is exactly that.

Mr. Nesbitt: It's in the book.

The Chairman: Order.

Mr. Hansell: We are not going to conclude this debate, Mr. Chairman, I don't care what happens, without having all the cards put on the table. I am just attempting to put a few of them on, and put them on face up.

Mr. Argue: Another witch hunt.

Mr. Hansell: A witch hunt? The hon. member for Saskatoon said the other day that no one wants to be looking under every bed to see whether there is a communist there. No. That is all right. But it would appear to be perfectly all right to look under the bed if you can find a capitalist there. That is what my socialist friend back there was doing this afternoon when he was talking on another bill; he did not know much about the bill, but he saw something there. It is popular, you see, to look under the bed if you can find a capitalist there—

Mr. Pearson: They would own the bed. They would not be under it.

Mr. Hansell: —but it is a witch hunt if you look under the bed to find a communist. I am not impressed one bit with that kind of remark. As a matter of fact, I would rather look under the bed and find there is no communist there than refuse to look under the bed, close my eyes to what might be there, and then find there is a communist there.

Mr. Fulton: What would the hon. gentleman do if he found the usual thing under the bed?

Mr. Hansell: I will tell the hon. member for Kamloops what I would do if I found the usual thing there. I would simply pour it on him.

An hon. Member: For shame.

Mr. Fulton: That would not be much different from the usual line you produce.

Mr. Hansell: Now, Mr. Chairman, to get back to this question of UNESCO, I say to you that it is an evil thing.

I hold in my hand a copy of the *American Mercury* for February, 1954, in which there is an article by Mr. Harold Lord Varney. In it he goes into the history of UNESCO and also comments on some of its literature.

Mr. Ellis: Who is the author?

Mr. Blackmore: Mr. Harold Lord Varney.

Mr. Ellis: Who is he?

Mr. Blackmore: Go and find out.

Mr. Hansell: He states:

> One particular target of UNESCO has been the youngest age group of children. As pointed out in the UNESCO teacher-training booklet, "In the Classroom with Children under 13 Years of Age": "These earlier years may be indispensable to the education of children for world citizenship . . . UNESCO points out that—

And he quotes again.

> —"the narrow family spirit of the parents may, in fact, not only compromise indirectly, and in some degree, unconsciously, the eventual integration of the child in the human community, but it may also cultivate attitudes running directly counter to the development of international understanding."

Mr. Chairman, on that point the committee set up by the state legislature of California, in handing down their eleventh report, cites another excerpt from a United Nations publication. This is the citation:

> "As long as the child breathes the poisoned air of nationalism, education in world-mindedness can produce only precarious results. As we have pointed out, it is frequently the family that infects the child with extreme nationalism. The school should therefore use the means described earlier to combat family attitudes that favour jingoism."

I suppose by jingoism they mean the patriotism that one has toward one's country. Mr. Chairman, the whole idea behind this is so to mould men's minds as to create a mass thinking as though it were the thinking of one man—

Mr. Harkness: Twenty-five dollars a month.

Mr. Hansell: —and by doing that sort of thing, do away with individual thinking. To my mind, to do away with individual thinking and to try to stereotype the minds of men is one of the most insidious types of brain-washing we can have.

Mr. Harkness: Twenty-five dollars a month.

Mr. Ellis: That is what the Social Crediters are trying all the time.

An hon. Member: You are doing fairly well yourself.

[Mr. Hansell.]

Mr. Hansell: It is the difference between having individual thinking which has produced some of the greatest men and ideas of the ages, and having the minds of men conform to one idea, the idea rather of a world government where individual thinking can never be permitted, where an individual may never be permitted to think his way through to any new idea whatsoever.

My time is fairly well gone, Mr. Chairman. I shall have something more to say at a later time. Here we are asked to approve the spending of $100 million of the taxpayers' money on a Canada Council. It is a double-barrelled resolution. One part of it sets up the council and gives it $50 million. The other part of it hands over $50 million for it to distribute to universities.

I am in full agreement with the speech made by the hon. member for Okanagan-Revelstoke this afternoon, in which he said we are in favour of the one but not of the other. We have always favoured aid to universities. The other day we voted nearly $8 million in a supplementary estimate for aid to universities. To a man this group voted for it. We are all in favour of that. But as far as I am personally concerned—I have not talked with my colleagues—I cannot vote for the setting up of this Canada Council and for handing over to it $100 million. I cannot do that when I have old age pensioners in my own constituency who are on the starvation list. I could not go back and face some of those people who have asked me to handle their applications if I now turned around and voted for the expenditure of $100 million for this Canada Council.

I will close, Mr. Chairman, by making this suggestion to the Prime Minister. I know, of course, that it will not be acceptable. I doubt greatly whether the people of Canada want $100 million of their money spent on this thing. We are to have an election this coming spring. All right. In all probability the bill will be passed before the election. I will challenge the Prime Minister to include in that election a plebiscite so that people may vote and say whether or not they want $100 million of their money spent on this Canada Council. It is all right to talk here, to interject and to waste time. If a plebiscite were included in the election we could go through this country, and we would surely slay somebody if we went through it with the evidence we have concerning what is going on in the world and what the big idea is behind this whole socialist trend.

I will challenge the Prime Minister to do that. This thing has never been submitted to the people. Tonight the Prime Minister

said, "We want to get the reaction of the people" and "It seems to be very well received." You haven't talked with 15 million people and cannot say it has been well received just because there are a few people who might say so, and just because certain authorities might agree with it.

The Deputy Chairman: I am sorry to be obliged to interrupt the hon. gentleman, but I must inform him that his time expired about three minutes ago.

Mr. Hansell: Thank you, Mr. Chairman, for that consideration.

Mr. McIvor: Mr. Chairman, I should like to go back to the needs of the student. I take it that this Canada Council is to make it possible for more students to go through university. It is a great experience for a young man to have the opportunity of going through university, because it broadens and deepens him and he meets many of the brightest minds in the country.

I am not going to say much on this matter. However, I should like to ask the Prime Minister a question. College fees have doubled and redoubled. I used to be able to earn my college fees in six weeks in the summertime. What do we find today? We find that the increase in those fees is such that a medical student will have to pay in the neighbourhood of $1,000 yearly. My question of the Prime Minister is, will this Canada Council help out with the fees?

Mr. St. Laurent (Quebec East): Well, Mr. Chairman, the bill will provide that the endowment will be permanent, and that the income only can be used for the objectives of the council. One of those objectives is scholarships, without there being any limitation put upon that word. I would not expect that, at the start, the council would find that, in the income from this endowment, it had sufficient money to provide undergraduate scholarships.

Mr. McIvor: Thank you; that is good news.

Mr. Fleming: A few minutes ago the Prime Minister stated that those serving on the council would serve in an honorary capacity. May I ask him if that applies to the chairman and vice chairman of the council?

Mr. St. Laurent (Quebec East): I stated at the time that the chairman, vice chairman, director and assistant director would receive remuneration, but that the others would be serving in an honorary capacity.

Mr. Fleming: May I ask if the chairman and vice chairman will be serving full time or part time?

Mr. St. Laurent (Quebec East): At the start the director and assistant director will be serving in a full-time capacity, and the chairman and vice chairman in a part-time capacity only.

Mr. Fleming: I take it from that statement that in that respect there has been another departure from the recommendations of the Massey commission.

Mr. St. Laurent (Quebec East): There has been a departure, yes.

Mr. Fleming: What is the reason that justifies the departure?

Mr. St. Laurent (Quebec East): It was felt that the council would be set up with a part-time chairman and part-time vice chairman, and that experience would demonstrate whether or not it was necessary for its proper functioning that the chairman and vice chairman be full-time administrators. It is not expected that at first there will be the amount of work to be done that would justify having four full-time officials.

Mr. Fleming: There is one other point in connection with the matter of the chairmanship and vice chairmanship. We remember that when the Prime Minister made his opening statement on January 18, at page 397 of *Hansard*, he said:

> It will be our endeavour to compose the council of such persons as will give that confidence to the Canadian public generally, and I can assure the house that there will be no considerations of partisan politics that will influence us in the choice of those who will make up the council.

I am quite sure those sentiments are shared by all members of the house, because there is nothing that could more completely or more swiftly subvert or pervert the whole purpose of such a council than to have appointments made to serve partisan purposes.

There was a question raised by the Leader of the Opposition that same day, when he referred to rumours that were current that a very honourable gentleman who had held a portfolio in the government was being mentioned as a likely incumbent of the chairmanship. The Prime Minister did not deal with the point in making some comment on the remarks of the Leader of the Opposition on that date. Could he make some comment on that subject now?

Mr. St. Laurent (Quebec East): The comment I would make is that my idea of making appointments irrespective of political partisanship does not mean that anyone who has belonged to the party of the government should be excluded.

Mr. Fleming: Is that to be taken as confirmation of the rumours?

Mr. St. Laurent (Quebec East): No, but it is to be taken as a denial of the suggestion that this government cannot make non-political appointments unless it chooses persons who have been obviously members of other parties than its own.

Mr. Fleming: That is a different kind of note the Prime Minister has introduced now. No one was saying that such an appointment to be non-partisan, so far as the government is concerned, must be a selection from some other political party. One was just testing what the Prime Minister meant in stressing the importance of making selections on such a basis that not only will partisan considerations not enter into the appointments, but I trust that the appointments will be made on such a basis that there will be no suspicion of partisanship in the making of such selections.

I take it we are all agreed that nothing would be more harmful to the Canada Council than to have any such suspicions in relation to the selection of those who discharge the important functions of chairman and vice chairman. There is nothing personal in this as regards the hon. gentleman whose name was mentioned in the press. His name has not been put on the record here for that reason. I take it that he is regarded by practically all members of this house as a personal friend; but I think we are entitled to know, now that the point has been raised by the Leader of the Opposition in regard to what has been freely discussed in the press, whether there is any truth, to the knowledge of the Prime Minister, in these stories that were widely current in the press?

Mr. St. Laurent (Quebec East): I am not going to undertake at this time to tell the members of the house what recommendations I propose to make to my colleagues as to appointments on the council. Unfortunately it is a fact that no matter how careful we may try to be there are some who still suspect the honesty of our intentions; that is unfortunate, but it is something that is inevitable. I can give the hon. gentleman the assurance that no one will be appointed because of his connections with the Liberal party or because of his connections with any other political party, but purely upon the best appraisal we can make as to his fitness or unfitness to occupy that kind of position.

Mr. Fleming: The Prime Minister mentioned earlier that the appointment will not be on a full-time basis, at least in the early stages. Has the government arrived at any estimate as to what proportion of his time the chairman will be required to give to his duties in the early stages? It seems to be the thought of the Prime Minister—at least so I gather from what he has said—that in the early stages the burdens that will be cast upon the chairman are not likely to be as onerous as they might be later.

I wonder if that is a sound view, and if there is not going to be a great deal of work to be done in the early stages in setting up this council and launching it on its tasks, so much so that the burdens in the early days may be even heavier than they will be later when the council is well launched on its way.

Mr. St. Laurent (Quebec East): It may well be that for the first few weeks there will be quite a lot of time required, while the council, with the assistance of the investment committee, will be determining what investments should be made of the endowment. I expect that those who will have the responsibility of making the investments, when there will not be the usual restrictions that are placed upon trust companies, will want to give the matter very careful consideration and will endeavour to spread the investments over a pretty wide field so that anything happening in one field will not have the result of a jolt against someone who is carrying all his eggs in one basket. This will probably be quite a serious job that might take quite a lot of time until the investments have been made.

As to the amount to be treated as university grants, that will be only in security funds or securities guaranteed by the government of Canada.

Mr. Regier: Mr. Chairman, I and my colleagues in this group are pleased that at long last the government has decided to take some action to establish the Canada Council. I am a little bit surprised that the chairman has allowed the debate to range as widely as it has. We have had debates under this resolution on federal aid for all sorts of things in the field of education, many of which have had very little to do with the resolution which is now before the committee. This resolution certainly has very little indeed to do with the subject of federal aid for education, or even federal grants to universities in the field of education.

I was, therefore, very pleased to hear the answer the Prime Minister gave to the hon. member for Fort William. When the hon. member for Fort William rose in his place he seemed to indicate that the resolution had something to do with reducing the fees that ordinary university students would be paying. The resolution has nothing whatsoever to do with that, and I was very pleased to hear the Prime Minister so inform the hon. member for Fort William.

However, we welcome the resolution. For many years now the people of this new

nation of ours, the people of Canada, have learned how to earn a living, and I think we have done remarkably well at that. At least, in relation to other peoples of the world, we certainly know how to earn a living. Now we have decided at long last to spend a little bit of money on learning how to live. We have the book which I am sure we all read which says that man does not live by bread alone.

All of us have met many immigrants in recent years, and those immigrants are the first to admit that the people in Canada certainly know how to earn a living. However, in relation to the peoples of western Europe, at least the peoples of the Mediterranean area, the Canadian people have yet to learn the art of living. We have one major conflict of two ideologies in the world today, the ideology of the communist world and the ideology of the capitalist world, both of which have their basis in materialism. To the philosopher there is very little difference basically between the two. The worship of the dollar is not much above the worship of a political machine.

The amount that is being recommended in the resolution is not as much as it seems. I know $100 million sounds like a lot of money in many parts of Canada and to many of the people of Canada. We must remember that half of it is to go for the erection of university buildings; the other half is to be put into a fund. When you look at the income the Canada Council will have from this $50 million a year you will see that it amounts to only slightly over 10 cents per capita per year. I do not think the average Canadian will resent overly much being taxed to the extent of having 10 cents of his income spent by the federal government on the encouragement of the arts, the humanities and the social sciences.

I regret that in the speeches I have heard so far from the government benches all indications are that the breadth of the effort upon which we are about to embark is to be rather limited. The Prime Minister himself, I think for some reasons maybe known only to himself, emphasized a week or so ago that in years gone by those who had patronized the arts were also those who, to use his words, "knew the value of gold coins".

I read a lot into that sentence of the Prime Minister. If the Prime Minister meant by it that the men in days gone by who had gold coins were the ones who had the leisure to interest themselves in the arts, I can agree with him. However, if the Prime Minister meant that there was any correlation at all between the ability to acquire money and the ability to appreciate the worth-while things in life, I must take exception; because even among the limited number of people whom I know are people who know something of the art of living, but they are not at all necessarily those who know something of the art of how to climb onto the backs of their fellow men and get a free ride.

The Prime Minister also referred to his desire not to establish a Canada arts council which would be superimposing itself upon some of the efforts which are being made in the field of the development of the arts in Canada. Once again I must give him the benefit of the doubt. If the Prime Minister meant by the word "superimposing" that he did not like the idea of superimposing something upon organizations which were already well established, and that he did not feel the new Canada Council should attempt to shove any form of culture down the throats of Canadian people, of course I must agree with him. However, if he meant that the whole of the energies of the Canada Council to be established were to be devoted only to assisting those major national organizations which now exist, then once again I have to take exception to that.

In its report at page 373 the Massey commission had this to say:

> We are faced, it seems to us, by a threefold problem: cultural activity within Canada, cultural relations abroad, Canada's relationship with UNESCO.

Well, Mr. Chairman, in the minutes left to me I mean to devote my thoughts to cultural activity within Canada. As far as cultural relations abroad and Canada's relationship with UNESCO are concerned, I must admit that I know very little indeed about this matter; and unlike some of the "socreds" in this house I am unwilling to look for communist-makers under every bedspread that we may have in Canada.

Mr. Blackmore: You are just blind like that.

Mr. Regier: With respect to cultural activity in Canada the royal commission went on to say:

> When national policy for development of the arts, letters and sciences in Canada is devised, first consideration should be given to the specific and peculiar needs of Canada, and only secondary consideration should be given to the application of policies and methods adopted by other countries for the solution of their specific and peculiar cultural problems.

I would like to say "amen" to that recommendation. I heartily agree that in the development of Canadian culture very serious attention should be paid to the peculiar problems we have in Canada, and we should not simply ape the efforts of western European nations.

Canada Council

I referred a moment ago to those of my colleagues in the house who belong to the Social Credit party. I can well remember as a young man listening to the ranting and raving of the late Premier William Aberhart—

Mr. Blackmore: No ranting, no raving.

Mr. Regier: —about the 50 big shots of Canada. I was extremely amazed the other day in listening to the remarks of the Social Credit leader in this debate. I thought the Prime Minister made a very sensible contribution when he offered for our consideration the thought that in centuries gone by there had been many men of wealth who had agreed to be patrons of the arts.

Mr. Johnston (Bow River): On a point of order, Mr. Chairman. You will recall, sir, that not long ago the chairman referred to the wide field over which this debate was ranging. He said that in his judgment we should not refer even to UNESCO. I wonder what this particular line of thinking has to do with the resolution we are considering. I have no objection, sir, to allowing this discussion to go as far afield as you like; but I would suggest that if you are going to allow the hon. member to address his remarks in a purely provincial political atmosphere, then you should not try to prevent others from extending the scope of the debate, too.

Mr. Regier: Mr. Chairman, I was just about to refer to the contribution to this debate made by the leader of the Social Credit party on January 18 last, when he expressed regret that there were not more extremely wealthy people in this country. I shall quote the remarks of the hon. member as reported at page 407 of *Hansard* for that date:

> I am going to say to you, Mr. Chairman, that if we had in our country more people of material substance I am quite satisfied that they would be just as generous as the people in the United States have been, but one of the great reasons why we do not have as many wealthy people here, and I think we should begin looking into this, is that we have followed taxation policies that have taken the material substance away from people who would be patrons of the arts and sciences and have left them with little or nothing with which to endow. It is high time we began to take a careful look at what the real effects of our taxation policies have been.

Well, Mr. Chairman, here we have inside of 22 years a complete turnabout. In 1935 their leader ranted and raved about the 50 big shots and—

Mr. Blackmore: No ranting, no raving.

Mr. Regier: —today their leader complains that we have not enough multimillionaires in Canada to patronize the arts.

Mr. Johnston (Bow River): Of course that is entirely wrong.

[Mr. Regier.]

Mr. Regier: The hon. member for Bow River, who is interrupting, comes from Alberta and I think I can readily understand his thinking. I come from British Columbia, where we are used to the fact that multimillionaires have found their way into the Social Credit party.

An hon. Member: What about Alberta?

Mr. Regier: In Alberta they may not have any multimillionaires.

An hon. Member: What about the oil rights the Saskatchewan C.C.F.'ers have?

Mr. Johnston (Bow River): Let us not mention that.

An hon. Member: They have all kinds of oil rights.

Mr. Regier: Culture is something that cannot be bought. I was very pleased indeed to see that the Prime Minister used the word "encouragement" in the resolution. The purpose of the council is for the encouragement of the arts, humanities and social sciences. The main theme of my contribution is a plea that this effort be spread for the benefit of the masses of the people of Canada. I regret very much that most of the addresses I have heard in this debate so far from almost all sections of the house have created in me the impression that most hon. members seem to think this $100 million is going to be spent on the experts in the arts in Canada. I think the need existing among the masses of the people is much more urgent than the need existing among the experts.

In most parts of industrialized Canada we have the 40-hour week. When we read the report of the Gordon commission and the representations made by the labour unions of Canada we realize the day is not far distant when we will be talking about a 30-hour week, and that causes me some serious concern.

Mr. Byrne: Not me; I would love it.

Mr. Regier: I know the hon. member for Kootenay East, being a so-called union leader, pretends not to be afraid of this; however, I know that upon serious and sober reflection even he will consider as serious a matter which I think ought to be raised in this debate. If we are going to reduce the 40-hour work week to a 30-hour work week we have to be sure that the Canadian people can absorb all the effects created by a 30-hour work week.

Mr. Byrne: Keep socialism out of it and it will be all right.

Mr. Regier: We are today a nation of sitters and a nation of viewers. As far as the

development of the individual is concerned, television can be a curse as well as a blessing. The people of Canada will sit and listen to the radio and will watch sports rather than participating in sports. The people of Canada will watch drama on television rather than participating in human life. I submit once again, Mr. Chairman, there is a responsibility which this parliament must face in this regard. It is for that reason I sincerely welcome this effort by the government to help the Canadian people to learn how to live.

I deeply regret that in my home city of New Westminster, British Columbia, on a single night more people will attend one hockey game than you will find the following Sunday at all the churches in the whole city combined, and at all the political meetings for a 10-year period combined.

I think it is high time we paid some serious attention to these problems. When we spend $100 million of the taxpayers' money for the encouragement of the arts, the humanities and the social sciences let us make sure that at least some of that money is spent for the benefit of the broad masses of the Canadian people. I submit that the people who get themselves elected to this parliament should have some understanding of the problems which I am attempting to outline at this time.

In my riding of Burnaby-Coquitlam there are many cultural activities being carried on. In Burnaby, Ioco, Port Moody and Coquitlam there are hundreds of small groups of people working together in order to raise the cultural level of our society. At the present time these people are receiving no national direction, guidance or encouragement. I hope when the bill which will follow this resolution passes it will provide for the giving to my people back home of a little of the encouragement, leadership and guidance for which they are looking.

I am thinking also of the broad picture of Canada. Canada is made up of people who speak two main languages, but dozens of other racial groups are making their contributions. If the Canada Council could broaden its concept of its responsibilities it could do much toward promoting the idea of national unity, and at the same time ensure that many of the contributions which these people have to make will not be lost.

I am thinking also of the field of adult education, and am hoping that it will not be relegated to a secondary position. In the area I represent I think I am safe in saying that there are practically as many people taking part in adult education at the present time as there are pupils in the elementary and high schools. Vancouver is fast gaining a world-wide reputation for its adult education program. Largely responsible for the progressive outlook of the people of the Scandinavian countries is the fact that in many of those countries the people never stop going to school, and are still learning even when they become grandfathers and grandmothers.

I should like to refer to the second section of the resolution, and note that when the Prime Minister spoke on January 18, as reported on page 397 of *Hansard* of that date, he said that the contribution would be not more than 50 per cent in any case. He was referring to the capital grants to universities. The other day, and again today, the Prime Minister made it perfectly clear that these capital grants have nothing whatsoever to do with the ordinary functions of our Canadian universities.

If the Canada Council should find it expedient to utilize a Canadian university in order to accomplish or further one of its aims or objectives and a building were needed, then the Canada Council would be able to say, "We will pay half the capital expenditure." I find that most regrettable, because there are many areas in Canada which are particularly in need of added sources of supply, if you like to put it that way, of economic well-being.

Mr. St. Laurent (Quebec East): Will the hon. gentleman permit me? If I gave the impression that the capital fund could be used only for special projects which the council wanted to have carried out I misled the house, because the bill as drafted provides that the council can make grants of half the cost of any building or capital equipment required to promote the study and enjoyment of the arts, the humanities and the social sciences.

Mr. Regier: Mr. Chairman, I thank the Prime Minister for clarifying his statement somewhat, but I still must point out that even in the statement the Prime Minister made just now he has made it clear that the 50 per cent will have nothing whatsoever to do with what are considered by most people of Canada to be the ordinary functions of a university.

If the Canada Council should desire that certain projects be undertaken at a certain university which involved certain capital expenditures, then the council might contribute 50 per cent of those expenditures. I hope I am being fair to the sentiments of the Prime Minister. I read carefully what he said the other day; but I have noticed, as I said when I began my remarks, that much of the debate has run far afield from the

limitations set by the resolution and by what the Prime Minister said. However, that is beside the point.

The main point I wanted to make with the Prime Minister was that this idea of matching grants works a hardship on many of the provinces. It works a hardship on all the have-not provinces, which include four Atlantic provinces and perhaps the provinces of Manitoba and Saskatchewan. I submit that basically this principle of matching grants—and I submit that is what he did propose—perpetuates an evil which already exists in connection with our university grants, and we should not compound that evil by making it applicable in this particular field. If we want to develop the arts, humanities and social sciences I cannot think of a more suitable place than some of the universities in some of the have-not provinces.

I should like to pose this question to the Prime Minister. Why 50 per cent? Why not 100 per cent? If a need is recognized by the to be established Canada Council, why should not the council assume the whole cost? Why should not the council have the right to determine where in Canada would be the most suitable location? As the Prime Minister has put it, I can very well see the provinces of Ontario, Quebec and British Columbia obtaining concessions by way of capital grants while the other provinces, because they have not the matching money, would be denied that benefit.

Mr. Dufresne: Not the province of Quebec.

Mr. Regier: The hon. member for Quebec West says "Not the province of Quebec". I speak subject to correction, but I have always assumed that Quebec was one of the three rich provinces. I know that the living conditions of the people are not as good as in some of the other provinces, but I always thought it was one of the big three in wealth.

The Deputy Chairman: I am sorry to have to interrupt again, but I must advise the hon. member that his time has expired.

Mr. Hahn: I rise on a question of privilege. In view of the statement the hon. member for Burnaby-Coquitlam has just made, that the people in his home city of New Westminster do not attend church—

Mr. Regier: I never said that.

Mr. Hahn:—I wish to draw to the attention of the house the fact that the hon. member is not a resident of the city of New Westminster, and therefore I suggest that this might be a reflection—

Mr. Regier: Mr. Chairman, I rise on a further question of privilege. I think you, Mr. Chairman, will know that I never said the people of New Westminster do not attend church. I did say that more people attend one hockey game than attend all the churches on one Sunday.

The Deputy Chairman: I would ask the hon. gentleman not to require the chair to decide whether or not it is a privilege to live in New Westminster.

Mr. Knowles: Go north, young man.

Mr. Macdonnell: I wish to ask a question of the Prime Minister. I suppose, in every organization, the man who heads it is of great importance, and I cannot imagine an organization where the top man would be of greater importance than in the case of the Canada Council. Is it possible for the Prime Minister to answer this question? In his thinking about the qualifications desirable for this position, does it seem to him that executive and administrative qualities are required, or is he looking for a man who would give the council intellectual and, shall I say, aesthetic leadership? I realize that one cannot divide men sharply into two classes, and I realize that the Prime Minister may get a man who, happily, combines both qualities; but certainly it is of importance, and it would be of great interest to me, to know whether the Prime Minister in approaching the search for this man has in mind rather the one type or the other.

Mr. St. Laurent (Quebec East): What I had in mind, Mr. Chairman, was this; a man who would have drive, energy and vision; a man who would make the project active and see to it that the whole council got the benefit of the wisdom that each of its members could contribute to its deliberations. And I would be pleased, too, if it were someone who could take his part of the responsibility in making investments with endowment dollars in a wise way during this period of rapid development of Canadian enterprise, and who could also visualize the effect upon the Canadian nation of a stimulus to these—I use the word which the hon. gentleman does not like any better than I do—so-called cultural activities; and he would be a means of bringing out the intellectual contribution that each and every member of the council could make to the conduct of its general affairs.

Mr. Macdonnell: The Prime Minister has used the words "drive, energy and wisdom" which, I am sure, we would all expect to find in regard to any good man. He has given me the impression that what he is really looking for is what may be called an executive type.

Mr. St. Laurent (Quebec East): I was not thinking of someone who would be a specialist in any one of the fields of art, but of one who would have an appreciation of all the contributions that could be made in that field.

Mr. Michener: May I ask the Prime Minister a question. In my limited experience in the granting of public funds for charitable, artistic and other purposes, it has always seemed to me that the best use was made of those funds if it was a requirement that the persons or organizations to whom they were granted were required to put up a corresponding amount; in other words, that government funds were granted to match funds put up by private individuals and associations who were interested in the same purpose. This seems to give an assurance that the best use will be made not only of private funds but of the additional moneys put up by the government. I wonder if that principle is given any place in the disposition of funds by the Canada Council, apart from the capital grants to universities.

Mr. St. Laurent (Quebec East): It is, Mr. Chairman, in the case of the capital grants. With respect to the other field, it was felt that there should be a certain income assured every year, and that the members of the council would constitute the kind of body which would be able to suggest, to those having the means, how useful it might be if there were contributions provided by them. But it was felt it would be a good, proper stimulus to provide an initial endowment fund amounting to as much as $50 million and created at the expense of the whole Canadian public.

Mr. Michener: I am not sure, Mr. Chairman, whether the Prime Minister understood my point. If, say, a ballet company which is struggling to establish itself were to ask the Canada Council for a grant, it occurs to me that a sound basis of operations would be for the Canada Council to say, "Yes, if you believe sufficiently in this work of yours to provide part of the funds, we will then meet your needs as to the other part of the funds." I suggest this is a much better policy than being too free with public money where there are no private funds ready to support the purpose in hand, and I wonder if that principle has been given effect to in any way in the present proposals.

Mr. St. Laurent (Quebec East): I think, Mr. Chairman, that contributions out of the income of the endowment will be only a fraction of what it will be necessary to have spent for the purpose for which these contributions from the endowment will be made. For instance, if there is a question of a post-graduate scholarship, the fact that it is a post-graduate scholarship probably means that more than the amount of the scholarship has already been spent in reaching that point of personal development.

Mr. Michener: There is no limitation on the council as to how the money should be applied?

Mr. St. Laurent (Quebec East): No, none; but the fact that they will be operating in public and that their operations will be reported upon annually by the Auditor General in a report that will be tabled in parliament will ensure that the council is very conscious that the Canadian public will feel that it is their money that is being administered by this council; and they will want, I think, to use it in a manner that will commend itself to the majority of the Canadian people.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Lapointe: Tomorrow, Mr. Speaker, we will continue with this debate, after which we will proceed with the debate on second reading of the bill to amend the Canadian Wheat Board Act. This business having been terminated, we shall take up the resolution standing in the name of the Minister of Northern Affairs and National Resources concerning the establishment of two national museums, to be followed by the resolution standing in the name of the Minister of Finance with respect to amendments to the Canadian Farm Loan Act, to be followed by the resolution in the name of the Minister of Finance concerning the Municipal Grants Act.

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

Questions

ANSWERS TO QUESTIONS

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

BRIDGE AND CAUSEWAY CONSTRUCTION, HILLSBORO RIVER, P.E.I.—TENDERS

Question No. 88—**Mr. Matheson:**

1. Are tenders being called for the construction of a causeway and bridge across the Hillsboro river, Queens, Prince Edward Island?
2. If so, on what date and in what manner?
3. What type of bridge will be built, of what length and with what type of piers?
4. Will separate tenders be called for the causeway fill and for the bridge?
5. When is it expected steel will be available for this bridge?

Answer by: **Hon. Robert H. Winters (Minister of Public Works):**

1 and 2. Tenders will be called by the government of Prince Edward Island as this project will be constructed under the trans-Canada highway agreement. Specifications are now being prepared for the causeway portion for which tenders will be invited by April, 1957. The bridge design is expected to be ready in April, 1957, preparatory to tender call.

3. It is proposed to construct a continuous steel deck truss of five spans totalling 800 feet, resting on concrete piers and abutments. The approach to the bridge section from both ends will be causeway.

4. Yes.

5. Latter part of 1957 or in 1958.

TRANS MOUNTAIN OIL PIPE LINE CO. DIRECTORS

Question No. 97—**Mr. Goode:**

1. Who are the present directors of the Trans Mountain Oil Pipe Line Company?
2. What are their official positions on the board of directors?

Answer by: **Hon. Roch Pinard (Secretary of State):**

1. Names and addresses of the directors according to the annual summary filed with this department pursuant to the provisions of section 125 of the Companies Act:

Ash, William Mathews Vacy, 76 Old Forest Hill road, Toronto, Ontario.

Baker, Ralph Douglas, 3820 Grandview Douglas highway, Burnaby, B.C.

Bridges, Robert Lysle, 3972 Happy Valley road, Lafayette, Calif., U.S.A.

Day, David E., 116 South La Senda, South Laguna, Calif., U.S.A.

Hamilton, John Williamson, 68 Highland crescent, York Mills, Ontario.

Jamieson, John Kenneth, 169 Old Yonge street, Toronto, Ontario.

Morrison, Donald Mackay, 400 East Broadway, Vancouver, B.C.

Wahn, Ian Grant, 243 Dawlish avenue, Toronto, Ontario.

2. Donald Mackay Morrison completed the return in the capacity of president and Jack Hymers McQuarrie of the city of Vancouver as secretary.

There is no information available as to the official positions held by the persons other than Mr. Morrison on the board of directors.

HOUSE OF COMMONS

Wednesday, February 6, 1957

The house met at 2.30 p.m.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Government House,
Ottawa,
February 4, 1957.

Sir:

I have the honour to inform you that the Honourable Patrick Kerwin, Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber on Wednesday, the 6th February, at 5.45 p.m., for the purpose of giving royal assent to a certain bill.

I have the honour to be,
sir,
Your obedient servant,
J. F. Delaute,
Secretary to the Governor General
(Administrative).

QUESTIONS PASSED AS ORDERS FOR RETURNS

RAILWAY-HIGHWAY CROSSINGS

Question No. 68—**Mr. Small:**

1. How many railway-highway crossings were in Canada as of December 31, 1954, 1955 and 1956?
2. How many, giving the number in each province, for each of these years, are classified as: grade separation (underpass or overpass), gates, bells and automatic signals, watchmen, unprotected?
3. How much was paid out of the railway grade crossing fund, and how much was contributed by the municipalities, the railways, and the provinces, for grade separations (overpass and underpass), and railway diversions, designating each project, in each of the years 1954, 1955 and 1956?
4. How much was paid out of the railway grade crossing fund, and how much was contributed by the municipalities, the railways, and the provinces in each of the years 1954, 1955 and 1956, giving the number in each province, for gates, bells and automatic signals, watchmen?
5. How much was paid out of the railway grade crossing fund, and how much was contributed by the municipalities, by the railways, and by the provinces, in each of the years 1954, 1955 and 1956, giving the number of units in each province, for the maintenance of grade level crossing protection and grade separations?
6. How many grade level railway crossings were ordered closed by the board of transport commissioners in each of the years 1954, 1955 and 1956?
7. How many new grade level railway crossings were approved by the board of transport commissioners in each of the years 1954, 1955 and 1956?
8. How many grade level railway crossing accidents occurred in each of the years 1954, 1955 and 1956, and what was the number injured at (i) protected (ii) unprotected crossings, and what number were killed at (a) protected; (b) unprotected crossings, in each of the years 1954, 1955 and 1956?
9. How many project applications were approved in each of the years 1954, 1955 and 1956, giving date, location, and class of protection; how many of these projects have been started, giving date and location, and how many project applications have the board received, during each of these years and not passed on, up to December 31, 1956?
10. Has the federal organization been created or set up to co-ordinate law enforcement of advance warning, standardization of signals and equipment, at level crossings for the prevention of accidents?
11. Have any of the provinces set up any organization to co-operate with the federal government to enforce the laws pertaining to the prevention of accidents at railway crossings?

VETERANS' LAND ACT LOANS, PRAIRIE PROVINCES

Question No. 81—**Mr. Quelch:**

1. How many veterans in each of the three prairie provinces obtained loans under part I of the Veterans' Land Act?
2. How many of these veterans, by provinces, (a) have repaid their loans in full; (b) are in arrears for one year; (c) are in arrears for one year or more?
3. What was the total amount loaned to these veterans, and (a) what amount of principal has been repaid; (b) what is the total amount of arrears of interest; (c) what is the total amount of arrears of principal?
4. How many veterans have obtained loans under part III of the act?
5. What is the total amount of these loans?

EXTERNAL AFFAIRS

ISRAEL—INQUIRY AS TO CANCELLATION OF EXPORT PERMIT FOR JET AIRCRAFT

On the orders of the day:

Mr. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Can the minister tell the house whether or not the permit in connection with the export of 24 jets to Israel was cancelled? If so, was it at the request of the Israeli government? What were the circumstances in connection with refunds, if any, to be made by Canada in consequence of the fact that Israel is not now to accept delivery?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the export permit was suspended by the government of Canada for the reason that the situation in the area was too critical to warrant shipment of arms into that area to anyone.

The arrangement for the purchase of jet planes was made between Canadair and the government of Israel, and at the request of the government of Israel the contract was liquidated. I am not sure of the exact terms but, as I understand the situation, the Israelis

paid the out of pocket expenses of Canadair on these particular planes up to the time the settlement was made. The planes themselves were turned back to the R.C.A.F. under a contract for exactly the same type of plane that was current at the time. The expense to the Israeli government was not great in proportion to the size of the order.

Mr. Diefenbaker: May I ask a supplementary question. On what date was the export permit suspended? Was it made at anyone's request? Why did the government find it necessary to adopt this attitude after having granted the export permit in order to provide for the supply of jets to permit the defence of Israel? Why did the government change its attitude and when?

Mr. Howe (Port Arthur): Mr. Speaker, my memory is reasonably good but I cannot remember dates offhand.

Mr. Diefenbaker: Approximately?

Mr. Howe (Port Arthur): I cannot say even approximately. The permit was suspended when Israel moved into Egypt on an aggressive expedition. The suspension of the export permit was action taken by the government of Canada. Perhaps I should say the suspension of the export permit was taken on the initiative of the government of Canada because one of the conditions on which the export permit was granted was that the planes would not be used except for defensive purposes and Israel at the time of the suspension was committing an act of aggression. The cancellation of the order for planes was made on the initiative of the government of Israel. As I say, the government of Canada was not a participant in that transaction; that is, it was not a participant in the sale of the planes to Israel.

Mr. Diefenbaker: Perhaps the minister would allow me one further question. Did the Canadian government advise the government of Israel at the time it suspended this export permit that what was being done was because of what the minister described as an act of aggression on the part of Israel? How long after the Israeli forces moved forward was that suspension of the export permit taken?

Mr. Howe (Port Arthur): Well, Mr. Speaker, I would have to have notice of these questions. I could give my friend actual dates by consulting the records but I do not remember these dates offhand.

Mr. Diefenbaker: Possibly the minister could give further information tomorrow.

Mr. Howe (Port Arthur): Yes, I would be pleased to.

[Mr. Howe (Port Arthur).]

GHANA—INQUIRY AS TO CANADIAN REPRESENTATION

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I should like to direct a question to the Secretary of State for External Affairs. Has the government made arrangements to appoint a high commissioner to Ghana, the new member of the commonwealth, when that new country comes into existence within a few weeks?

Hon. L. B. Pearson (Secretary of State for External Affairs): No, Mr. Speaker, no arrangements have been made, although the government is, as the house knows, sending a representative to the inauguration of the state of Ghana. The matter of representation subsequently is now under consideration.

Mr. Nesbitt: Mr. Speaker, I have a supplementary question to ask the minister because I was unable to hear his answer, although it was not entirely his fault. Did I understand the minister to say the government did not intend to send a high commissioner to Ghana? The reason I ask that is this: Is Ghana not intended to be a full-fledged member of the commonwealth?

Mr. Pearson: Ghana is not a full-fledged member of the commonwealth until the state is set up. It has not yet been formally established. I said that, after that is done, the question of representation and the sending of a high commissioner to Ghana will be considered.

Mr. Nesbitt: I have another supplementary question. Since Ghana, when it comes into existence in a few weeks' time, will be a full-fledged member of the commonwealth, would it not be normal to send a high commissioner there just as others are doing?

Mr. Pearson: It might be desirable, Mr. Speaker, but there are cases where some parts of the commonwealth are not represented formally in other parts. I am not suggesting this would be one.

GRAIN

WHEAT—REFERENCE TO EFFECT OF UNITED STATES DISPOSAL POLICY

On the orders of the day:

Mr. George H. Hees (Broadview): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Does the minister agree with the opinion expressed by Ezra Taft Benson, the United States secretary of agriculture, in a letter to the editor of the Vancouver *Herald* and reported by the Canadian Press in today's newspapers to the effect that the United States fire-sale wheat

export policies have not hurt other wheat exporting countries including Canada, and has not affected sales abroad?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I am happy to say that this time I have read the *Globe and Mail*, which I think is the newspaper to which my hon. friend referred. Someone put a copy into my hands as I was coming downstairs to the house. I read the remarks of secretary Benson and I do not agree with them. I think that if Mr. Benson will consult his officers they will explain to him the views of the Canadian government in some detail because the views of the Canadian government have been explained to his officers through our continuing committee.

I noticed one other statement in the report. Although the government of the United States has reduced wheat acreage, the governments of other exporting countries have not reduced wheat acreage. If Mr. Benson will consult the acreage figures for Canada he will find that the acreage planted to wheat in this country has dropped from about 28 million acres at the end of the second world war to a little less than 20 million acres today.

[*Later:*]

Mr. H. A. Bryson (Humboldt-Melfort): Mr. Speaker, I would like to direct a supplementary question to the Minister of Trade and Commerce arising out of a statement he made a short while ago in the chamber to the effect that Canadian producers have reduced their wheat acreage. What factors does the minister suggest have prompted Canadian wheat growers to reduce their acreage?

Mr. Howe (Port Arthur): Mr. Speaker, I can only assume they found it more profitable to produce other grains, such as barley. The reduction of wheat acreage has been more or less fully offset by the increase in barley acreage. It is the producers' decision that brought about the reduction in wheat; it is not the decision of the government.

WHEAT—REPORTED SALES BY UNITED STATES TO JAPAN

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Can the minister comment on the report of the Alberta wheat pool that the United States for the first time has recently sold substantial quantities of high grade wheat to Japan? What steps are being taken to recover this and other markets which have already been lost?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Well, Mr. Speaker, we have enjoyed a market for high grade wheat in Japan for several years. The reason United States wheat was sold in that market was that a 92 cent subsidy was applied to the wheat by the government agency concerned. The question is, do we in Canada want to follow the United States prices for export wheat down for the sake of holding that market? I might say that from the tender for wheat that resulted in the sale of a cargo of dark spring wheat we sold two carloads of No. 2 northern at a considerably higher price, so I do not think the situation is too serious.

VETERANS AFFAIRS

IMPLEMENTATION OF CERTAIN CANADIAN LEGION RECOMMENDATIONS

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I should like to direct a question to the Minister of Veterans Affairs. Is it the intention of the government to bring in legislation to increase the war veterans allowance and to increase the permissible income ceiling to $2,000 a year for married veterans and $1,200 for single veterans and widows to conform with the request of the Canadian Legion?

Hon. Hugues Lapointe (Minister of Veterans Affairs): Mr. Speaker, the representations made by the Canadian Legion on this and other matters are still receiving government consideration.

[*Later:*]

WAR VETERANS ALLOWANCE—PERMISSIBLE INCOME

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Veterans Affairs.

An hon. Member: Ah, a serious one.

Mr. Knowles: Is the minister giving consideration to the fact that war veterans allowance recipients over 70 years of age will not get the benefit of any increase in the old age security pension to be made at this session unless the ceilings on permissible income under the War Veterans Allowance Act are raised? Is consideration being given to raising these ceilings at this session for that purpose?

Hon. Hugues Lapointe (Minister of Veterans Affairs): Mr. Speaker, the same consideration is being given to this particular point in the War Veterans Allowance Act as is being

given to the points referred to by the hon. member for Moose Mountain (Mr. McCullough).

NATIONAL DEFENCE

REPORTED EQUIPPING OF CANADIAN FORCES WITH ATOMIC WEAPONS

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): Mr. Speaker, may I ask the Minister of National Defence if he will comment on the report appearing in the Vancouver *Sun* of February 1 which states that a senior government source has stated that the Canadian armed forces would be equipped with atomic weapons within approximately two years. This apparently is the first announcement of such a policy from an authoritative source.

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, I do not know what constitutes a senior government source and I do not make a habit of commenting on speculative articles by newspaper correspondents. In view of these two considerations I think I should make no comment.

INCOME TAX

DEFERRED REDUCTIONS—REPORTED STATEMENT BY MINISTER OF FINANCE

On the orders of the day:

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I would like to direct a question to the Minister of Finance. Will the minister confirm the accuracy of a press report of his interview yesterday with the Canadian Chamber of Commerce which proposed a scheme of "deferred income tax cuts"? In the report the chief of the delegation says that the minister complimented them for an excellent contribution to a difficult problem. If the minister confirms the report will he say whether this answer was meant seriously or whether it was just a dismissing pat on the back?

Hon. W. E. Harris (Minister of Finance): The Minister of Finance believes in giving a pat on the back where it is deserved. I would recommend to my hon. friend and to every hon. gentleman in the house that if he has time he might read the brief of the Canadian Chamber of Commerce which was presented yesterday. It discusses the monetary and fiscal policies which they think appropriate at the moment. I think it is a well written document and it did include the recommendations my hon. friend mentioned, but I did not intend, in complimenting them, to be taken as selecting any one part of it as deserving of special commendation.

[Mr. Lapointe.]

PIPE LINES

TRANS-CANADA PIPE LINES—INQUIRY AS TO DROPPING OF PRESSURE IN SASKATCHEWAN

On the orders of the day:

Mr. W. Ross Thatcher (Moose Jaw-Lake Centre): Mr. Speaker, I would like to direct a question to the Minister of Trade and Commerce. Could the minister say whether pressure in the Success natural gas field of Saskatchewan is dropping off, endangering the supply of gas to Moose Jaw, Swift Current, Regina and other Saskatchewan points? If so, would the minister state whether the federal government will urge Trans-Canada Pipe Lines to come to the aid of the Saskatchewan Power Corporation and rescue Saskatchewan citizens from what appears to be another costly C.C.F. blunder?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I have no information about the pressure of gas in the field referred to. The question is the first indication I have had that there is any trouble about gas pressures there. I may say, in reply to the second question, that to my knowledge Trans-Canada Pipe Lines Limited has been trying to make a contract to supply gas to Saskatchewan municipalities with the Saskatchewan Power Corporation for some months but entirely without success. I think no urging on my part would be required to enable the power corporation to arrange a contract for a reliable supply of gas from Trans-Canada Pipe Lines.

HEALTH AND WELFARE

REFERENCE TO PRIME MINISTER'S STATEMENT ON SOCIAL SECURITY

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. When, in the course of his television appearance on Monday evening on "The Nation's Business", the Prime Minister referred to the need to assist "those members of our national family who are too young, too handicapped, too old to look after themselves", was he giving the Canadian people the assurance that something will be done at this session regarding family allowances, allowances for disabled persons and the old age pension?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, the answer is no. I was referring to existing legislation.

Mr. Knowles: Do we take it from what the Prime Minister now says in that negative tone that he is closing the door to action on these matters?

Mr. St. Laurent (Quebec East): No, I am not closing the door, but as usual government policy will be announced in the house before it is announced over the radio.

Mr. Knowles: That will be a change of policy.

Mr. George H. Hees (Broadview): I have a supplementary question. In view of the government's expected half a billion dollar surplus and its ability to hand over $100 million to the Canada Council, does the Prime Minister not believe the time has arrived for an immediate increase in the old age pensions, veterans pensions and blind persons pensions in order to bring them at least to the point where their purchasing power is the same as it was when those pensions were first passed by every hon. member of parliament?

Mr. St. Laurent (Quebec East): I will do my electioneering when a general election is called, and on the proper platform.

FINANCE

REPORTED EFFECT OF CREDIT RESTRICTIONS ON CONSTRUCTION

On the orders of the day:

Mr. Roland Michener (St. Paul's): May I ask a question of the Minister of Finance. Has the minister seen the report in Maclean's Building Reports that the volume of construction in Canada during January was down by 42 per cent as compared with January, 1956? Does the minister think a decline of these proportions in any way satisfies the declared objectives of the Bank of Canada, and is the government giving consideration to what should be done in the face of such a decline in building construction?

Hon. W. E. Harris (Minister of Finance): Yes, I have seen the report, Mr. Speaker, and the consideration which is being given to the problem of controlling inflation, while not stopping the desired growth of the country, goes on every day. The accumulation of evidence such as this with regard to the effects of a policy of restraint is welcome. At the same time, the minister and the government recognize that one cannot carry a policy of restraint to a point where it operates in a manner which one would not like and the most difficult decision that can be made will be made as to when the policy of restraint can be eased in order that the present excellent good times in Canada may be continued.

Inquiries of the Ministry

CONTROL OF INTEREST RATES ON CONDITIONAL SALES CONTRACTS

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to direct a question to the Minister of Finance. Has the government given consideration to the introduction of legislation at this session to control the exorbitant interest rates sometimes charged by certain business firms on instalment credit and conditional sales contracts?

Hon. W. E. Harris (Minister of Finance): I think the answer to that ought to be, Mr. Speaker, that if any such legislation is to be introduced notice will be given in the ordinary manner. Perhaps I could couple it with a question as to whether or not my hon. friend would recommend it?

Mr. Argue: Very definitely, yes, Mr. Speaker. I wonder if the minister would consider this aspect when he is giving consideration to this question, of extending at least that measure of control to instalment credit as is now applied to small loan companies.

THE BUDGET

REQUEST FOR ASSURANCE OF EARLY PRESENTATION

On the orders of the day:

Mr. J. G. Diefenbaker (Leader of the Opposition): In view of the fact that it is generally predicted that the major portion of the electioneering will be done in the budget, will the Prime Minister give his assurance now that the budget will be brought in at an early date so there can be full and complete discussion; and that it will not be held back until the last hours before dissolution?

Right Hon. L. S. St. Laurent (Prime Minister): It is usual for the Minister of Finance to announce the date on which he will make his budget speech in the house. I have not inquired from him when he intends to make that announcement, and I do not think it is proper to regard the budget as part of electioneering.

Mr. Diefenbaker: Then I will ask the Minister of Finance now: can we have an assurance that the budget will be brought down in ample time for us to have a full discussion?

Hon. W. E. Harris (Minister of Finance): I have not completed the work on the budget, and at the present time I cannot even hazard a guess as to when I shall deliver it.

[*Later:*]

Mr. Donald M. Fleming (Eglinton): May I ask the Minister of Finance two simple questions? First, is it his intention to bring down a budget at this session? Second, if he does will he undertake that the house will have, for consideration of that budget before dissolution, the eight days appointed for that purpose under the rules of the house?

Mr. Harris: Well, under ordinary circumstances I would expect to deliver a budget during this session of parliament, but as I said a moment ago the work is not yet complete; indeed it is hardly started. Under those circumstances, I could not say how long it would be before I would be in a position to notify the house that a budget would be delivered, and it would depend, of course, on how long the session lasts after that whether any engagement could be given that there might be time for debate. So, I think the question is not one that can be answered at the present time anyway, though it might be some time in the future.

Mr. Fleming: May I ask if it does not occur to the minister as being fundamentally unfair to bring in a budget on the very eve of dissolution, under such circumstances that there would be given to the house no adequate opportunity for discussion in the house of the budget proposals?

Mr. Harris: I rather thought questions were intended to elicit facts and not opinions.

Mr. J. M. Macdonnell (Greenwood): This is a question of fact, so I hope the Minister of Finance will approve it. Did I correctly understand the minister to use words which could bear the interpretation that he would not actually introduce a budget at all in this session?

Mr. Fleming: Do not evade that question.

Mr. Harris: I have been asked that question twice already, Mr. Speaker. The *Hansard* record will show that I had hoped to introduce a budget during this session.

Mr. Macdonnell: No, the minister has not answered my question.

Some hon. Members: Oh, oh.

Mr. Macdonnell: I want to repeat it. Did the minister use words that could be fairly construed as meaning that he might not introduce a budget during this session at all?

Mr. Harris: I am sure I did not, Mr. Speaker.

[Mr. Harris.]

Mr. A. W. Stuart (Charlotte): I should like to direct a question to the Minister of Finance. From the questions directed to him in connection with the budget, would the minister get the impression the official opposition is very anxious to have an early election?

Mr. Solon E. Low (Peace River): I should also like to refer to some words which the Minister of Finance used which have been puzzling me a bit. I think he said that preparations on the budget were hardly yet under way. Am I correct in assuming that the minister's departmental officials are not busy in the preparation of the budget as yet?

Mr. Harris: I do not think I need go into the details as to how long and how much work is involved in preparing a budget. It has not been my practice to deliver a budget until I have received representations from a very large number of people and organizations in the country. Normally, these people expect to see me during November, December January and into February. This process has not been completed as yet, and that is what I had in mind when I said that the work had not begun. I was referring to myself, of course. The members of the staff are working throughout the year on the budget.

Mr. Daniel McIvor (Fort William): Mr. Speaker, I would like to ask the Minister of Finance a question.

An hon. Member: Speaking of juvenile members.

Mr. McIvor: If the members of the opposition are sincere in their desire to have adequate time in which to discuss the budget, why not cut down our question hour?

INDUSTRY

REQUEST FOR INQUIRY INTO OIL PRICES AND PROFITS

On the orders of the day:

Mr. F. S. Zaplitny (Dauphin): May I address a question to the Prime Minister. Has the government received a request from the automotive trades association of Manitoba for an inquiry into wholesale prices and profits of Canadian oil companies? If so, what action has been taken by the government?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I received notice of the hon. gentleman's question just before I came into the house. No such request has been received in my office. I will make inquiries whether any such request has been received by any of my colleagues, but I know of none.

POSTAL SERVICE

EXTENSION OF MAIL ROUTES IN RURAL AREAS

On the orders of the day:

Mr. L. E. Cardiff (Huron): I would like to address a question to the Postmaster General. Will the Postmaster General be good enough to tell the house if the Post Office Department intends to follow the same practice as was followed just before the last election, namely extending mail routes in rural areas where there are less than four families to the mile?

Hon. Hugues Lapointe (Postmaster General): Well, Mr. Speaker, I do not know what was the practice to which my hon. friend refers, but there has been no change in the policy and the regulations of the Post Office Department regarding the extension of rural mail routes since I have been in charge.

INQUIRY AS TO RENEWAL OF TWICE DAILY MAIL SERVICE

On the orders of the day:

Mr. G. K. Fraser (Peterborough): I would like to address a question to the Postmaster General. Has any further consideration been given to renewing the twice a day mail service as was formerly the practice, in view of the fact that once a day mail is costing the taxpayer a lot of money?

Hon. Hugues Lapointe (Postmaster General): No, Mr. Speaker.

[*Later:*]

Mr. W. M. Hamilton (Notre Dame de Grace): I have a question for the Prime Minister. In view of the Postmaster General's statement a few moments ago that no consideration has recently been given to the resumption of twice a day mail delivery, will the Prime Minister explain his own statement to the Canadian Labour Congress delegation last week that the cabinet was considering the resumption of twice a day mail deliveries?

Right Hon. L. S. St. Laurent (Prime Minister): No, I will not explain those words. I think they are quite clear. Consideration is being given to the costs that would be involved in restoring at this time twice a day delivery in the postal service. There will have to be a comparison between the estimate thus arrived at and the estimate the hon. member for Peterborough had in mind when he said that the fact there was only one mail delivery a day was costing the Canadian taxpayer a lot of money. Those are considerations that have to be taken into account and that will be taken into account.

Mr. Hamilton (Notre Dame de Grace): As a supplementary question, will the Postmaster General please inform himself of the progress of discussions within the cabinet regarding his own department?

Mr. Fraser (Peterborough): I should like to address a question to the Prime Minister concerning the cost to the taxpayer. It is costing him money to rent boxes at the post office.

Some hon. Members: Question, question.

Mr. Fraser (Peterborough): Does the Prime Minister not know that different business firms across the country have to send messengers to the post office for their mail two or three times a day, whereas it was delivered to them in the past?

Mr. St. Laurent (Quebec East): I would not be at all surprised. During the whole time I practised law in Quebec, and that was over a great many years, we had a messenger who went to the post office after the ordinary time of arrival of each mail.

LABOUR CONDITIONS

TRANSPORT, RADIO DIVISION—REPORTED DELAY IN RECEIVING OVERTIME PAY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I should like to address a question to a minister who always takes prompt action when a complaint is brought to his attention. Does the Minister of Transport know that employees of his department with the radio division in British Columbia have in recent months had to wait up to six months before receiving their overtime pay?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I thank the hon. gentleman for his words of commendation, and I should like to say that I shall have to investigate the matter. I cannot believe that there would be cases where employees would have to wait six months for overtime pay unless there were some particular reason for it, but I shall make inquiries and ascertain what are the facts.

NATIONAL DEFENCE—REQUEST FOR FIVE-DAY 40-HOUR WEEK FOR CLEANERS AND HELPERS

On the orders of the day:

Mr. W. G. Dinsdale (Brandon-Souris): I have a question for the Minister of National Defence. Has the minister given further consideration to extending the five-day 40-hour week to cleaners and helpers employed by the department, as laid down by government policy? If not, would he give consideration to that?

Inquiries of the Ministry

Hon. R. O. Campney (Minister of National Defence): I shall take the hon. gentleman's question as notice. I do not know just what stage the discussions have reached.

AIRPORTS

MALTON AND TORONTO ISLAND—STATEMENT ON PROGRESS OF NEGOTIATIONS

On the orders of the day:

Hon. George C. Marler (Minister of Transport): I should like to answer a question asked yesterday by the hon. member for York West who inquired when work was to begin on improvements to the Toronto island airport and also when work was to begin on a new terminal building at Malton airport.

As soon as the agreement between the city of Toronto and my department for the transfer of the title of the lands at Malton and the development of the island airport has been signed and approved by the governor in council, my department will initiate action towards runway construction at the island airport. The first stage of this work involves the provision of a substantial quantity of fill which we expect to be available from dredging in that area by the Department of Public Works.

As regards the second question, my department has recently concluded a major extension of the present terminal building. The development plans in connection with a completely new terminal building are still under study and I am not yet in a position to make a statement as to when the project will be started.

Yesterday the hon. member for Peel also asked a question with regard to the taxes on Malton airport. I have been unable to obtain the information he asked for but if he will put his question on the order paper I will endeavour to secure the information that he desires.

Mr. John B. Hamilton (York West): I should like to direct a supplementary question to the Minister of Transport. Since new facilities at Malton airport seem to be as far away as ever, would the minister investigate the possibility of having the contractor add to the housekeeping staff there to improve conditions which are continuing to give the city a black eye?

Mr. Marler: I do not think that the assumptions on which the hon. gentleman's question proceeds have any foundation in fact. The terminal building at Malton has been substantially extended, as he knows, and certainly meets present conditions more than adequately. How long it will continue to do so is another question. I have told him already what our intentions are with regard to a new building. I do not think it is necessary to add anything further at this time. So far as the condition of the airport is concerned, on the few occasions recently that I have been there I have seen nothing which would justify the kind of implied complaint which the hon. gentleman has just made.

Mr. Hamilton (York West): Would the minister investigate conditions there, and let us know if any improvement could be made?

PUBLIC BUILDINGS

QUEBEC CITY—EXCHANGE OF LOTS FOR SITE OF NEW POST OFFICE BUILDING

(*Translation*):

On the orders of the day:

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I would also like to answer a question put to me yesterday by the hon. member for Quebec West. I may say that, after taking this up with the management of the Canadian National Railways, I can add nothing to the information already given by my colleague the Minister of Public Works.

Mr. J. Wilfrid Dufresne (Quebec West): Mr. Speaker, I should like to ask a further question of the hon. minister. As the minister responsible for the C.N.R., would he please attempt to get additional information in answer to my question of yesterday so that a definite solution may be arrived at without delay?

Mr. Marler: Mr. Speaker, I must tell the hon. member that this matter comes under the jurisdiction of the Department of Public Works and does not at all concern the Canadian National Railways, except in some incidental way. Any further questions of the hon. member in this regard should be directed to my colleague the Minister of Public Works.

(*Text*):

UNEMPLOYMENT INSURANCE

REPORTED DELAY IN ISSUING OF CHEQUES

On the orders of the day:

Mr. J. C. Van Horne (Restigouche-Madawaska): I should like to direct a question to the Minister of Labour.

Some hon. Members: Oh, oh.

Mr. Dickey: Look who is back.

Mr. Van Horne: Is the minister aware that thousands of unemployed people have been waiting up to six weeks or more for their first unemployment insurance cheques and that the delays are inflicting unnecessary hardship and suffering on thousands of needy families?

Hon. Milton F. Gregg (Minister of Labour): I shall look into the matter, Mr. Speaker.

Mr. A. W. Stuart (Charlotte): Is the Minister of Labour aware of the fact that the hon. member for Restigouche-Madawaska has advertisements in the paper at home asking any person who has trouble with their unemployment insurance to bring it to his attention?

Mr. Gregg: I am aware of the fact, Mr. Speaker.

TRADE

CANADA-UNITED STATES—REFERENCE TO REPORTED RECORD DEFICIT

On the orders of the day:

Mr. George H. Hees (Broadview): I should like to direct a question to the Minister of Trade and Commerce arising out of the answer he gave yesterday to my question regarding last year's record trade deficit. The minister said, and I quote his words:

. . . exports were up about 11 per cent—

Some hon. Members: Order, order.

Mr. Hees:

—and imports were up about the same amount.

Some hon. Members: Question, question.

Mr. Hees: My question is, is the minister not aware that, while exports were up 11.8 per cent, imports were up 21 per cent or nearly double, and that while exports to the United States were up 10.2 per cent, imports from the United States were up 20 per cent or nearly double? Does this not give an example of the minister's lack of knowledge of the important things that are going on in this country?

Mr. Speaker: Does the hon. gentleman consider that his question is an example of that which is allowed on orders of the day?

Mr. Hees: I think it was a misleading answer I received from the Minister of Trade and Commerce yesterday.

[*Later:*]

Mr. Hees: Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce. Would he advise me why he gave the answer he did give me yesterday in reply to my question regarding the trade deficit, as it appears to have been a deliberate attempt to mislead the house and is obviously wrong?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, on a point of order, is it in order for an hon. member of this house to put a question that implies there was a deliberate intention to mislead the house?

Mr. Hees: I said it appears to mislead.

Mr. Speaker: I heard the expression that was used by the hon. gentleman and he used the words "as it appears to have been a deliberate attempt on the part of the minister to mislead the house". Now there were days when such expressions were declared unparliamentary and I would say there was a much closer check taken on the language used in this house until the end of the session of 1955. I think all hon. members know that since then the house itself has gone in a different direction with respect to language and on both sides expressions have been used which are not of the same standard of dignity that used to prevail in the past.

I must say there were periods in our history since confederation where such has been the case. The case that is now prevailing is not an isolated one. It just so happens that last evening I was reading something which appears in *Hansard* of 1891. There were words of Sir John A. Macdonald and Sir Wilfrid Laurier and the language being used today compares with the language used on that particular occasion. I believe this is a matter which it is not for me to judge alone. If I were to say today that the expression used by the hon. member for Broadview is unparliamentary, then what about the many other expressions that I have heard used in this house about which no complaint has been made, whereas on other occasions when a complaint has been made it was considered by many hon. members to be unjustified. I would think that since there is talk of a dissolution of this parliament, we ought in the meantime to try to bear with one another, keeping the tradition at as high a level as possible until that time comes.

Mr. John B. Hamilton (York West): Mr. Speaker, I should like to direct a supplementary question to the Minister of Trade and Commerce, bearing in mind what Your Honour said to the house, in order to ascertain if it is possible to get an answer to the question asked by the hon. member for Broadview (Mr. Hees). In view of an expression the minister has used in discussing serious matters in the house—

Some hon. Members: Question.

Mr. Hamilton (York West): —and to know his true views, could the minister inform the house if he has begun losing any sleep over his $1 billion trade deficit with the United States?

Mr. Howe (Port Arthur): I pay the attention to the questions asked by the juvenile member who represents Broadview that I think those questions deserve, and I have nothing to add.

EGGS

INQUIRY AS TO OPERATION OF FLOOR PRICE

On the orders of the day:

Mr. C. W. Hodgson (Victoria, Ont.): Mr. Speaker, I should like to direct a question to someone who is representing the Department of Agriculture in the house. I have held this question for two days now in the absence of the Minister of Agriculture and also his parliamentary assistant. I think I have to put it before you now, sir. It refers to the question of eggs. I asked the question last week and nothing has been done about it. The minister did not say he would do anything about it at the time; he evaded the question.

Some of my constituents are delivering eggs to the graders at a price of 26 cents. I understand the eggs sold on the market on the same day at 40 cents; the floor price is 38 cents. Is there anything the government can do or should do about this situation? The question is still open and yet nothing has been done about it.

Hon. Robert H. Winters (Acting Minister of Agriculture): Mr. Speaker, I will look into it and get an answer as soon as possible.

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I should like to address a question to the Acting Minister of Agriculture. Can the minister say whether the government has sufficient concern about the serious condition facing the poultry industry in Canada with respect to eggs to take government action to assist the industry?

Mr. Winters: Mr. Speaker, the hon. member may be assured of the government's concern. I will take the question as notice and provide whatever answer is indicated at a later date.

PUBLIC WORKS

BORDEN, P.E.I.-CAPE JOURIMAIN, N.B.—
STATEMENT ON PROPOSED CAUSEWAY

On the orders of the day:

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, I should like to answer a question asked yesterday by the Liberal member for Queens (Mr. Matheson) about the work being done on the proposed causeway between Borden, Prince Edward Island, and Cape Tormentine, New Brunswick.

[Mr. Hamilton (York West).]

The situation is that the government of Prince Edward Island last year requested us to study the feasibility of a proposal to build a causeway from Prince Edward Island to New Brunswick, and we have done some work to that end.

This would be a project of major proportions. In estimating its cost an important factor will be the source of supply of suitable rock. The province specifically requested assistance in determining the possibility of obtaining suitable rock from the Cape Tormentine area.

On the basis of geological reports, test holes were drilled and samples sent to our testing laboratory in Ottawa. These cores have been undergoing tests but a full evaluation is not yet complete.

Concurrent with the laboratory testing, a field performance test has been established adjacent to the Canadian National Railways' dock at Cape Tormentine in which samples of the best stone obtained from the Tormentine drilling, as well as other local quarry material, are under observation. These tests were started last fall and will continue until the samples have been subjected to a full year's cycle of weather and sea conditions. The results of the field test will be a further check on the laboratory tests which are being reviewed at the present time.

In addition to the technical study, we are making a full financial and economic analysis. In this we have had the guidance of observations made in the preliminary report of the royal commission on Canada's economic prospects. This study will include a forecast of the over-all economic benefits from a causeway as against the type of service now provided with the ferries. Arrangements are being made to have this financial and economic study carried out by the accounting and management consultant firm of Price, Waterhouse and Company with whom we have already had discussion.

PENSIONS

INQUIRY AS TO INCREASE IN CANADIAN NATIONAL RAILWAYS MINIMUM PENSION

On the orders of the day:

Mr. J. C. Van Horne (Restigouche-Madawaska): Mr. Speaker, I should like to direct a question to the Minister of Transport. Is any action being taken by the government to increase the ridiculously low pensions of several groups of retired Canadian National Railways employees?

Hon. George C. Marler (Minister of Transport): That question has already been answered this session. I do not propose to inform the hon. gentleman of an answer already given.

Mr. Van Horne: You are going to keep on doing nothing.

CITIZENSHIP AND IMMIGRATION

INDIAN AFFAIRS—PETITION OF ALBERTA INDIAN ASSOCIATION TO THE QUEEN

On the orders of the day:

Mr. Carl O. Nickle (Calgary South): Mr. Speaker, I should like to address a question to the Prime Minister. Does the government intend to deliver the Alberta Indian Association petition to the Queen to its proper destination while the responsible hon. member for Bonavista-Twillingate (Mr. Pickersgill) is cavorting in Newfoundland, or is this petition to be interred in the tombs of Ottawa files and mark another retrogade step in Canadian democracy?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, Canadian democracy has reached the stage when the provision in the Act of Settlement is no longer appropriate in respect of some kinds of petitions. I have not seen this petition. The usual practice, when a petition is sent to Government House, is for the staff to transfer it to the minister most directly concerned with the subject matter. It is done in that way because under the constitutional system the governor general now does not act without the advice of his ministers.

If the matter is one that can involve no doubt the minister may himself tender such advice as he feels certain would have the approval of all his colleagues because, in tendering the advice, he engages the solidarity of all of his colleagues, and when there is any doubt as to whether that would be objected to by any of his colleagues the matter is brought to their attention in a meeting of cabinet for a decision as to what advice should be given.

Now, I have not seen this petition. I am under the impression that it is a petition founded upon the assertion that is being made many times by representatives of the original inhabitants of this part of the North American continent, that they are not subject to Canadian laws but they are allies of Canada. Well, now, a petition that would be based upon that foundation would not be submitted to Her Majesty with any recommendation that it should be recognized because the position that is taken by the government is that all the inhabitants of Canada are subject to Canadian law.

Mr. Nickle: I have a supplementary question, Mr. Speaker. Will the Prime Minister please give the house and the country assurance that he himself and all the members of his cabinet will give study to this particular petition which I am sure, if he reads it, will result in conclusions somewhat different from his remarks? May I ask this further question? Does the Prime Minister consider that when there is any danger of lack of solidarity within his cabinet any individual cabinet minister can set himself up as a censor of the Queen's mail?

Mr. St. Laurent (Quebec East): Mr. Speaker, when a petition is sent to Government House for transmission to Buckingham Palace that is not the Queen's mail. Those petitions are not automatically sent to Buckingham Palace and it would, I think, be a very embarrassing practice to send futile petitions to Buckingham Palace merely because it was somebody else's fancy that such a petition should go to Her Majesty. There has to be some discretion exercised in the matter of transmitting those petitions. If that were not to be done, a petition could be addressed, as I know that some are addressed, directly by the petitioner to Buckingham Palace. Frequently such petitions come back to us here from the Queen's secretary to inquire whether that is a petition that is being transmitted on behalf of the petitioner by the Canadian government.

Mr. Nickle: In view of the Prime Minister's description, which implies the futile position of the petition, are we to understand that the petition has been in the government's hands for the last ten days and has not yet been examined by any member of the cabinet except the Minister of Citizenship and Immigration?

Mr. Hees: Is that right? Question.

Mr. St. Laurent (Quebec East): I am not going to discuss that matter here at this time. My attention was called to this matter by the hon. gentleman the other day. I have been making inquiries about it and I know that when the petition was received there was an opinion sought from the Department of Justice and that opinion was given by the deputy minister of justice only yesterday.

Mr. Nickle: A supplementary question, Mr. Speaker. Will the Prime Minister give assurance that the cabinet will give consideration to this petition and from its consideration of this petition bring before this house at this current session an amendment to the Indian Act of 1951?

Mr. St. Laurent (Quebec East): No, Mr. Speaker, I will give no such undertaking to the hon. gentleman.

Canada Council

CANADA COUNCIL

PROVISION FOR ENCOURAGEMENT OF THE ARTS, HUMANITIES AND SOCIAL SCIENCES

The house resumed, from Tuesday, February 5, consideration in committee of the following resolution—Mr. St. Laurent (Quebec East)—Mr. Robinson (Simcoe East) in the chair:

That it is expedient to introduce a measure to provide for the establishment of a Canada Council for the encouragement of the arts, humanities and social sciences and further to provide *inter alia* that

(a) the Minister of Finance may, out of the consolidated revenue fund, pay to the council the sum of fifty million dollars to constitute an endowment fund for the purposes of the act, and

(b) the council shall establish a fund to be called the university capital grants fund, to which shall be credited the sum of fifty million dollars, to be paid to the council by the Minister of Finance out of the consolidated revenue fund.

Mr. Hahn: Mr. Chairman, before the resolution carries there are one or two questions I should like to ask the Prime Minister. As reported on page 977 of *Hansard* of February 5 the Prime Minister had this to say:

In connection with one estate the statement had been made more than once by the deceased during his lifetime that he was not making provision during his lifetime or apt to make any under his will for benefactions to public institutions because the succession duties were so high, the proportion of his estate which would be taken in succession duties, if it were thought fit, could be employed on the recommendation of the government by parliament for like purposes.

The Prime Minister then referred to another individual who apparently had indicated that he wished to make a contribution. Would the Prime Minister indicate to the house whether there was any paper or will or statement of any kind other than a verbal statement to that particular effect? The reason I ask that is that I am sure this same gentleman must at some time or other have contributed quite properly and to a great extent to possibly his church or other charitable organizations. Is the government prepared to recognize those gifts to such institutions in the same way?

Mr. St. Laurent (Quebec East): Mr. Chairman, I was merely saying what I had in the back of my mind in view of the fact that there had been a substantial windfall in the shape of unusually large succession duty collections. I was not suggesting that there had been any testamentary disposition or any recommendation in writing or anything of that kind. There could not be because the amounts collected as succession duties go into the consolidated revenue fund and cannot be taken out of that fund without a vote of parliament.

Mr. Hahn: One other question in respect to the endowments we have today. Is it the intention to include all endowments to institutions of learning and for scholarships and so on being administered today under special funds in the Canada Council and have only one source of administration?

[Mr. St. Laurent (Quebec East).]

Mr. St. Laurent (Quebec East): No consideration has yet been given to what might be done about other funds. For instance, there is no present intention of diminishing the grants to the national research council. There is no present intention of diminishing—on the contrary there is a declared intention of increasing—grants for vocational and technical training.

Mr. Knowles: Mr. Chairman, there is one particular point I should like to deal with arising out of something the Prime Minister said yesterday which I think should be clarified. First of all may I say that as the committee is aware this group is in full support of this legislation. We hope it will not be long until the bill is passed and it will be possible for the government to implement it.

However, something happened yesterday which puzzled me. The Prime Minister knows that for a number of years I have tried to persuade the house, thus far in vain, to accept an amendment to the Income Tax Act with particular reference to the section of the act which prescribes secrecy so far as information obtained under the act is concerned. Every time I have introduced that amendment the Minister of National Revenue has endeavoured to make a strong case against it by asserting vehemently that secrecy regarding information obtained under the Income Tax Act must prevail. I find that the provision in the Income Tax Act which has been quoted to me by the Minister of National Revenue is also contained in the Dominion Succession Duty Act, section 55 of which reads as follows:

(1) No person employed in the service of Her Majesty shall communicate or allow to be communicated to any person not legally entitled thereto, any information obtained under the provisions of this act, or allow any such person to inspect or have access to any written statement furnished under the provisions of this act.

(2) Any persons violating any of the provisions of this section are liable on summary conviction to a penalty not exceeding two hundred dollars.

I raise the question whether the Prime Minister did not violate that section of the act yesterday when he told us in considerable detail about two estates which he named as the Killam estate and the Sir James Dunn estate. He indicated the windfalls that had been obtained from those two estates. The Prime Minister then related those windfalls to the $100 million involved in this resolution, and went on to say that something over $50 million had been paid in from one of those estates.

I do not object to our getting this information. As a matter of fact I have been trying to get the income tax legislation amended so we could get this type of information. But on other occasions when we have asked for information in the hands of cabinet ministers, obtained by them under the provisions of the income tax legislation, we have been told every time that because of the secrecy provisions we could not be given the information. How does the Prime Minister explain the fact that yesterday in face of section 55 (1) and (2) of the Dominion Succession Duty Act he gave out information about the succession duties paid by these two estates?

Mr. St. Laurent (Quebec East): Mr. Chairman, perhaps the hon. gentleman will find that technically I violated the statute, but I did not think I was doing that. I was simply repeating information which had been published pretty generally in the newspapers since the deaths of these two wealthy Canadians. I was not giving precise figures and I had not obtained precise figures. I was giving approximate figures which were known to the public and I am sure to every hon. member of the house. It was general knowledge that there had been unusually large payments in respect to succession duties.

Perhaps I should not have given any figure at all, perhaps I should have been content with saying that there were unusually large payments in respect of succession duties. I hope it will not cause inconvenience to anyone and I do not think it will. As the Leader of the Opposition said, it was not necessary to put any names on the record as everyone knew who those two wealthy Canadians were who had died in the period referred to.

Mr. Dinsdale: Mr. Chairman, in the preliminary discussion of this resolution I was impressed with the emphasis the Prime Minister placed upon the importance of a teacher training program. Most of our teacher training programs are carried out in the smaller colleges, particularly the liberal arts colleges who concern themselves mainly with the humanities. I am wondering whether there is to be some specific regulation or some specific mention in the bill which will assure these smaller liberal arts colleges the consideration that is required under this new legislation.

The tendency is toward centralization, in education as in many other fields, and in every case these private endowments go to the larger centres of learning. Sir, the very nature of the work of the Canada Council, concerned as it will be with the humanities and the liberal arts and sciences, would suggest that in a special way the smaller institutions devoted to this kind of activity will be taken care of.

I wonder if the Prime Minister would care to comment on how this may be managed by way of regulation or legislation.

Mr. St. Laurent (Quebec East): There will be no provision for the Governor in Council to make regulations concerning the way in which members of the council should discharge their responsibilities. I think the matter which the hon. gentleman has in mind will be taken care of because of its real merits in the light of the objectives which it will be the duty of the Canada Council to pursue.

Mr. Dinsdale: I take it from the Prime Minister's comment that the Canada Council committee, then, will have complete responsibility for allocating both these funds; it will be a matter entirely within their jurisdiction.

Mr. St. Laurent (Quebec East): Within the limits fixed by the statute. The capital grants fund can be allocated in a province only in proportion to the population of that province, though the allocation to the ten provinces need not be made in the same year or years. This is intended to be a provision for ten years, and it will be provided in the bill that the sum available will be divided in proportion to the population of the province; but there will be no requirement that each province should get its share at the same time. There will also be a requirement that the scheme which will receive part of the allocation of the grant attributed to a province shall be one that will appear to the Canada Council as worthy of encouragement; and it will be only a matching grant, that is to say, an amount equal to what will be provided by the institution itself from some other source.

Mr. Low: Mr. Chairman, I wish to comment briefly on the resolution before the discussion on this phase of the measure is terminated, and I want in particular to say what has been in my mind concerning the discussion which has taken place thus far, and whether or not the reservation which I made on January 18 will be continued.

I said at that time, when I spoke on this resolution, that I would have to reserve my judgment with regard to the Canada Council until I had given it much further consideration. In my mind particularly, at that time, was the question of priority; I wanted to find out whether or not the government intended, this session, to make any improvement in old age pension benefits and in certain other social security benefits. I said I thought that

this question was largely a matter of priorities. Whether I would support the setting up of the Canada Council now would depend on whether the government was, first of all, prepared to take care of these other matters which I believe to be of more importance to the people of Canada—to far more people than could ever receive benefits by reason of the Canada Council.

I have not changed my mind, because I have been able to obtain from the government no satisfaction in answer to the questions I have asked and to questions asked by other hon. members. There has been no indication whatsoever that the government intends to proceed this session to grant increased benefits to the needy people of this country, and because of that fact I still feel, Mr. Chairman, that we should not proceed with the setting up of this Canada Council until such time as those other important priorities have been attended to.

I still oppose going ahead with this scheme, and putting up $100 million of the taxpayers' money for the purposes envisaged in this resolution. I cannot feel we are doing the right thing by the people of Canada by denying them an increase in old age pension benefits, and war veterans allowance benefits in view of the fact that these benefits are now so far below the level which we had hoped would be maintained over the years. Today, as the Prime Minister knows and as his colleagues must know, the $40 a month received by an old age pensioner will buy no more than about $20 worth of goods and services; a pensioner is no better off today, with his $40, than he was with the $20 he was receiving before we made the increase.

I said in this house on January 18, and I repeat it, that before we go into this area of "frills"—and that is what this is—a frill —we ought to be taking care of some of the things which are more important to our people. But I have failed, thus far, to get any satisfaction from the government, and since I have had no reassurance on this subject I must say, now, that I am strongly opposed to the passing of this resolution and of the bill which will be brought in and dependent upon it.

I want also to say, Mr. Chairman, that I have to maintain my opposition with regard to the need for this proposal. There is no need to have a Canada Council for the purpose of distributing university grants or giving aid to universities. We have been able, in the past, to extend help to the universities of this country without a Canada Council, and we can continue to do it on an extended scale. There is no necessity for having a Canada Council in order to distribute scholarships. That has been done quite well, in the past, with the machinery we had; the whole difficulty lay in the amount of money which was being distributed in the form of scholarships and aid to students in improving their educational standards. I maintain that all we need do today is use the agencies which now exist, and see to it that the provincial rights are recognized and maintained. We can do that by making available any moneys that we feel we have for this purpose to university organizations themselves, to the departments of education in the various provinces and, possibly, to other existing agencies. While I am in entire sympathy with the idea of extending grants to the universities for capital and other purposes, and making available scholarships on a wider scale than in the past to worthy students, I cannot feel it is necessary to set up the Canada Council in order to do this.

So far as culture is concerned, Mr. Chairman, I must also maintain the position I took when I spoke earlier on this matter. You just cannot buy culture; you cannot substitute a "canned" culture for the real stuff that develops spontaneously out of the experience of the people, their hopes and the memories that come from their own hearts; and if any attempt is made to impose a culture of an artificial, "canned" type on the Canadian people I will resist it with all my strength. I say at the same time that it is wise for us to try to encourage the development of every phase of culture that we possibly can but I still maintain that you cannot overlook the fact that before you start on such a project you have got to take care of the actual needs of the people. I maintain that the greatest priority in Canada today is to take care of those people who are forced to live below the borderline of poverty. That is the reason I am taking the position I take today.

I am not saying that at some time in the future, if the government has looked after these other matters and if we have the money to spend, whether it be from windfalls or any other source, we would oppose the establishment of a Canada Council provided we knew fully what its purposes were and provided we knew that its objectives were sound and good. I am not saying that at all. But let the government first give us these other assurances and then we may agree with their desire to set up a council.

I should like to add a word in passing about one phase which I think was most unfortunate and about which I do not think the Prime Minister feels too happy having regard to the interpretation that the newspapers have put on it. I hold in my hand today's Montreal *Gazette*, and on the front page there is this heading: "P.M. Staggers

Commons—Dunn, Killam Estates Finance Culture." I did not place that interpretation on what he said but I do think it was unfortunate it was mentioned and I am wondering how many Liberals are going to go throughout the country in the election campaign and say to the people: "Now, do not worry about the Canada Council and the $100 million it is going to cost because the money is not coming out of taxation. Actually what has happened is that two great big estates have supplied the $100 million and it will not come out of the taxpayers at all." That is utter foolishness and if any of that sort of thing is done, believe me it is going to be exposed with all of the energy that we can command. I am just as sure as I stand here that that will be done in the campaign by some campaigners. I am not saying it will be done by the Prime Minister. I am not accusing him at all.

But let me point out this important thing. I think it is a dangerous precedent at any time to say that you have received a windfall from the estates of certain men who have died and therefore you feel that you have enough money to be able to do something in which these people were interested. They said they were interested in making bequests to certain things such as the development of culure in Canada and because they said so you say that you are sort of influenced to go ahead now that you have their money.

There is no more justification for taking that position than there would be if I were to direct that a thousand dollars which I may pay in income tax this year should be earmarked for the development of an athletic council in Canada to encourage participation in athletics. There is no more justification in the one case than in the other. I do not feel I have any right whatsoever to direct the government how it shall spend the taxes it takes from me except through consideration of the general estimates in the house. I do have that right but with respect to directing that a part of what I contribute in the form of taxation shall be used for this or that purpose I say that should not have any relation whatsoever to anything the government has in its mind as a desirable thing to do.

I wanted to mention that because in the forthcoming election campaign I do not want to hear any Liberals going across the country and saying to the people: "Do not worry about this at all because you do not have to pay for it. The money is coming out of Killam and Sir James Dunn, who are dead." I am issuing a warning because I know what has happened in campaigns before. I have been through them and that sort of thing happens all too frequently.

I want to make it abundantly clear that we oppose the passing of the resolution. If there is some satisfactory explanation of what the government is going to do with regard to social security measures when the bill is before us, we may change our minds at that time.

Let me utter one other word of warning. I want to repeat what I said before. The government should be mighty careful about who constitute the personnel of the Canada Council and I shall not rest easy until I know who they are.

Mr. Hodgson: There will be some Grits.

Mr. Follwell: I should like to ask the Prime Minister a question. When the Canada Council is set up will it be on the same basis with respect to receiving gifts as our charitable organizations? If an amount is given as a gift to the Canada Council or is left by way of a bequest in a will, will that amount be treated in the same way as charitable gifts are treated at the present time?

Mr. St. Laurent (Quebec East): The hon. gentleman will find when the bill is introduced that there is a clause making that provision.

Mr. Hamilton (York West): Mr. Chairman, I shall only be a minute. It seemed to me that the hon. member for Peace River covered everything except naming the Council the Killam-Dunn succession duty arts council. I do not think we should censure the Prime Minister for informing us of the method to be used in setting up the council. He was very forthright in telling us how the money is to be obtained. I am a little surprised at the method to be used because I inquired of him yesterday whether this might create a precedent. He indicates that he does not think so but I am wondering what method will be used in the future to take care of the deficits which I am sure will arise from time to time. Are we going to finance the council by waiting for more windfalls, if you want to use that expression, and making additions to capital account or will it be the government's intention to vote the sums required from time to time to make up deficits in the interest account?

It seems to me that is a fairly important question because as the matter stands now and having in mind the amount of money involved there may be many millions of people who have some claim on the bounty here with respect to the funds that are being used. They may be people who can say very rightly that they are not going to obtain any particular direct benefit although it may be

said that the country generally is farther ahead. I think that those people would expect that all that would be necessary would be a grant on an annual or some other type of basis to meet immediate needs. They can honestly say that the money in this case has come from the effort of many people possibly over several generations and why is it necessary that the whole endowment should be paid out of the funds of the 1957 fiscal year?

I therefore ask the Prime Minister if he has considered the possibility of financing the council on a year to year basis or some basis of that kind and whether he sees it as always being necessary to contribute capital amounts from which interest will be drawn to make up any deficit? If that should be the case, it seems to me that each year the taxpayer is contributing a lump sum which will be used over many years. As the hon. member for Peace River has said, there are people who will question the fact that, while they are on a fixed income at the moment such as old age pensions, veterans allowances and blind pensions, this amount should be set aside all in one year.

Mr. Cameron (Nanaimo): Last night I had the privilege of addressing a gathering in Ottawa in company with three of my colleagues from this house, one from each of the other parties. On that occasion the representative of the Social Credit party presented to the audience the principles upon which his party is founded. They were all extremely high minded aspirations towards civic virtue, and I felt impelled at the end of them to remark that about all I had been able to gather of the policies of Social Credit was that they were "agin sin". This afternoon, though, I find I have to amend that because I have read the speech delivered last night by the hon. member for Macleod and listened to the leader of that group this afternoon, and I discover they are "agin culture", and I suspect for the same reason, that both sin and culture have the habit of expanding human experience to a degree that would be alarming to those who find their best fishing in the muddy waters of ignorance.

I was very interested also this afternoon in the remarks of the leader of the Social Credit group who based their objection to the Canada Council on the ground that the government has not seen fit to raise old age pensions. I am at one with them in deploring the fact the government has not seen fit to reveal its plans, if it has any, in this regard. But I would be much more impressed with the sincerity of my Social Credit colleagues if I had heard them, on any occasion, voicing the objections that have come from this group to the manner in which oil companies and oil pipeline companies mulct the general public of this country of the tribute they draw from their operations. There has been not a word from these people. The oil pipeline companies can work little stock market rackets robbing the general public and reducing the possible revenues that might be devoted to the raising of old age pensions, but not a word comes from our Social Credit friends. I suspect, Mr. Chairman, that it is a genuine revulsion against thought and culture that really moves them in this instance, and they have been able to find what they think is going to be a very useful political peg upon which to hang that genuine revulsion against knowledge and culture.

I noted in reading over the report from the United Kingdom the actions that our friends in Britain have taken with regard to an activity similar to that projected for the Canada Council.

An hon. Member: In 1946?

Mr. Cameron (Nanaimo): Yes, and even earlier than that. Even during the war the people of Britain decided that the promotion of cultural activities in that country was a fundamental need to maintain and sustain the morale of the people. They were not afraid to go through with it. They, of course, do not suffer from having a Social Credit party in their parliament. Last year, the people of Great Britain, through the parliament of Great Britain, devoted £885,000 to operations of the same type as those projected for the Canada Council. I have attempted to do some rough arithmetic with regard to what our contribution annually will work out to in sterling, and I suggest it is somewhere in the neighbourhood of about £700,000. They have, in effect, devoted 25 per cent more to this project in Great Britain than we are proposing in Canada.

Mr. Hahn: Work it out on a per capita basis.

Mr. Cameron (Nanaimo): Oh yes, we will work it out on a per capita basis if you wish, although that will tell you nothing. What we can tell you is that hard pressed people such as the people of Britain, who have suffered in a way that no other people have suffered—

Mr. Hahn: Well, they are centuries old.

Mr. Cameron (Nanaimo): Yes, they are centuries old, but they have suffered bitter losses in two major wars and a major depression, yet they are prepared to go ahead with this project on a more generous scale

than we are. The reason, Mr. Chairman, I suggest is that they have a better concept of the purpose of human life than is prevalent on the North American continent.

I have noted some of the comments in this house with regard to what is called culture. I have noticed, for instance, comments from our Social Credit friends that we should not expect the state to endow these things. I recall that the hon. member for Peace River, on January 18, cited as an example of the fine, sturdy, individual enterprise that leads to success in the arts, the career of Mr. Raymond Massey. He suggested that Mr. Massey, this outstanding Canadian actor, had reached that point without having to be subsidized. I wonder what the prairie wheat farmers, who subsidized Mr. Raymond Massey in his climb to the top of the theatrical ladder, would say to that? What nonsense! Mr. Massey was subsidized, and subsidized from the pockets of the Canadian people, in a manner in which apparently some members of this house wish to avoid in the future.

We hear some rather pathetic statements in this chamber, and they do not all come from the Social Credit party. There was some criticism the other day of a certain C.B.C. program. I was rather interested in that criticism, interested in that fine outburst of hairy-chestedness in opposing a certain program of ballet. I did not see it myself. Right at the start I shall say I think I would have found 90 minutes of "Swan Lake" on T.V. a little hard to take. In the first place, I doubt whether T.V. is a suitable medium for ballet. In the second place, I am not particularly fond of the "Swan Lake" ballet. What struck me as pathetic was that this gentleman was opposing it on the assumption that he did not like ballet. The pathetic part of it is that he did not know whether or not he liked ballet because all he had seen was this particular example of a particular style of classical ballet.

If he were in the house this afternoon, I would suggest to him that there are examples of ballet that I believe would appeal equally to his earthy temperament as they do to mine. For instance, if he had been looking at Offenbach's "Gaiete Parisienne", he would have regretted very much if, for the gracefully waving legs of the ladies in the can can, there had suddenly been substituted the squirmings and writhings of the wrestlers about whom he was so anxious. He might even have gained the considerable pleasure from viewing Agnes de Mille's "Rodeo", where the ballet dancers use a western motif and exhibit a skill and physical control that is far beyond the capacities of any of those overweight phonies who writhe and groan on the mats. As I say, I think it is pathetic that people reject a human experience from ignorance.

I believe the government is to be commended that they are taking one very slight step towards broadening the horizons of the Canadian people. I was rather struck with the suggestion of the leader of the Social Credit party that only a few people are going to benefit from the Canada Council. If I thought that for one minute, I would vote against it. The whole purpose of it is to create a climate of thought and knowledge in Canada that will enrich the lives of the people of Canada.

Surely that is the purpose of it, and surely that is a worthy purpose. My great regret is that we are devoting such a small sum of money in comparison with the sums we devote to other aspects of our society.

I want to conclude, Mr. Chairman, by suggesting that it is shameful hypocrisy to pretend that there is a valid reason for voting against this measure because the government has not as yet increased old age pensions, family allowances or any of the other social services which they ought to be increasing and which they would be well able to increase if they were following fiscal policies, which would be opposed by our friends of the Social Credit party, but fiscal policies nevertheless that would be designed to bring to the public treasury a very much larger share of the wealth produced by the people of this country.

Mr. Hees: Mr. Chairman, when the Prime Minister introduced the resolution on January 18 he had this to say, as reported at page 397 of *Hansard*:

> We shall also be asking parliament to provide from the consolidated revenue sum a further sum of $50 million to be known as "the university capital grants fund" to be distributed by the council as a contribution toward the financing of specific building projects of which it may approve in the furthering of its general objectives—

The general objectives, of course, Mr. Chairman, are the furthering of the arts, the social sciences and the humanities. I continue with the quotation:

> —to the extent of not more than 50 per cent in any one case, the contributions to be expended over a period of years—not necessarily in equal instalments of an equal fraction each year but by apportionment generally, to the institutions of the various provinces in proportion to their population.

A little farther down on the same page the Prime Minister said:

> The federal government does not feel that it should be the sole patron of the arts, the humanities and the social sciences or the only source of capital for the universities.

From listening to the Prime Minister speak I got the definite impression that those

moneys were to be apportioned entirely for the furthering of studies in the arts, the humanities and the social sciences, but to make absolutely sure that was so I asked the Prime Minister a question the following Monday. At page 436 of *Hansard* I asked him the following question:

> Mr. Hees: I should like to direct a question to the Prime Minister. Does the government intend to assist the universities in providing the greatly enlarged training facilities that will be needed to train the greatly increased numbers of scientists, engineers, doctors and dentists, of which this country is so critically short today, so that we may avoid a continuance of that shortage?

It was a perfectly honest, normal question, asking for information regarding the spending of this money. The Prime Minister said:

> Mr. Speaker, the government's intentions so far as they have been crystalized in decisions have already been announced to the house, and that procedure will be followed when other decisions are reached.

That is no answer at all. I continued:

> Mr. Hees: Was not the government's decision in this regard announced on Friday by the Prime Minister when he announced there would be no assistance given to the universities except to provide extra training facilities for the arts and humanities?
>
> Mr. St. Laurent (Quebec East): If my hon. friend is of the opinion that he was given on Friday the answer to the question put this morning, I cannot see why he repeats it.

I cannot see why he refused to answer my question. I was still after information, and I said:

> In reply to the Prime Minister's answer may I say this. It was my impression that he said that no extra facilities would be provided except for the humanities. I am trying to clear up the question as to the sciences and engineering.
>
> Mr. St. Laurent (Quebec East): I hope my hon. friend will not lose too much sleep over his wrong impression.

In other words the impression that money would not be provided for the training of people in engineering, the sciences, medicine and dentistry was completely wrong, according to the Prime Minister on that day. Yesterday, Mr. Chairman, in answer to a similar question, the Prime Minister had this to say, as reported at page 984 of *Hansard:*

> Mr. St. Laurent (Quebec East): Mr. Chairman, this resolution is not intended to provide for the establishment of increased facilities for a greatly increased number of students in engineering, medicine, dentistry and sciences.

In other words, a week ago Monday the Prime Minister in answer to a perfectly simple question asking for information, told me that I was completely wrong in assuming that no money would be made available for training in the sciences, engineering, dentistry and medicine. A week later, he told me exactly the reverse. The reason I bring this up, Mr. Chairman, is that this is one more example, as I see it, of what appears to be a deliberate attempt by a senior minister to mislead the house. One day he told me one thing, and the next day he told me I was foolish for having such an idea in my head.

Some hon. Members: Oh, oh.

Mr. Hees: Thank heavens the seals at last came alive. Then a week later, when he was explaining the resolution, he said that what I had assumed, and what he said I was completely wrong about, was correct. I would like to ask the Prime Minister whether he would be good enough to explain why he gave me a completely misleading answer one day, and a week later said completely the opposite?

Mr. St. Laurent (Quebec East): I gave no misleading answer to the hon. gentleman here. On Friday, January 18, we were discussing this resolution. It is not the practice on the orders of the day and, in my opinion, should not be the practice, to refer to debates in process on a day when that debate is not taking place.

Mr. Hees: Does the Prime Minister not believe that a member has the right to rise in his place before the orders of the day are called and ask the Prime Minister, or any other minister, a question to clarify something which appeared to him reasonably clear, but on which he wanted to get specific information, on a most important point? Does the Prime Minister not think that a member has the right to rise and ask for clarification of an answer?

The Chairman: Order. I think the hon. member is forgetting the fact that we are dealing with one specific resolution at this time. We are not dealing with questions asked or answers given on the orders of the day. If the hon. member would direct his discussion, or his questions, to the exact resolution under discussion it would be within our rules.

We must remember that in committee we are governed by strict relevancy to the item under consideration, and I do ask the cooperation of the hon. member in directing his questions to this resolution which, after all though it is somewhat broad in scope, is directed to certain purposes to which we should direct our attention.

Mr. Hees: Mr. Chairman, my point is, did or did not the Prime Minister make two directly contradictory statements about the matter that is immediately under discussion in this committee? I claim he did.

Mr. St. Laurent (Quebec East): My answer is that I claim just as vigorously as the hon. gentleman claims the opposite that I did not

make two different statements. When I was discussing this resolution I was discussing its effect. The hon. gentleman was putting his question in general terms as to whether or not there would be anything done in respect of something that was not included in this resolution; and something is being done, and it will continue to be done, for our scientific investigation and aid to scientific investigation, for years. The national research council has been making increasingly large contributions and will continue to do so; but the hon. gentleman is not going to have me give answers to questions put in broad terms which will enable him then to say that I have been deliberately misleading the house.

Mr. Hees: Mr. Chairman, I was not referring in my question to what the research council is doing. I specifically said in my question, is there going to be any assistance given to the council with respect to specific studies, and the Prime Minister said I was completely wrong in assuming that it would not. Then a week later he said exactly that. These are two completely contradictory statements.

Mr. Dickey: Read it again.

Mr. Hansell: I have one question I should like to ask the Prime Minister, because it is one point in which I am particularly interested and particularly cautious about. Can the Prime Minister tell us whether the intention of the Canada Council will be to publish literature and have the literature distributed to educational institutions such as public schools, high schools, universities or any other interested groups of an educational character?

Mr. St. Laurent (Quebec East): I cannot say what might be done. I had not envisaged the Canada Council becoming a publishing house for desirable publications that might be distributed to schools. I would not be prepared to say that under the terms of the statute they would be precluded from doing something of that kind. The terms of the statute do not expressly provide that that may be done and I would be surprised if the council undertook to enter that field, though there might be some grants made to a university that had a university press, for example, to provide for the publication of something that would be looked upon as a matter of real value in promoting the study and enjoyment of the humanities, the social sciences or the arts. There was no attempt made to pinpoint everything that might be undertaken by the Canada Council in pursuit of the general objectives set out in the bill.

Mr. Hamilton (York West): I think the Prime Minister intended to answer one question I asked him but was perhaps talked out of it. In connection with the possibility that deficits may arise in the future and more money be required, does the Prime Minister envisage adding to the fund as it is set out here or does he envisage only an annual grant?

Mr. St. Laurent (Quebec East): No, Mr. Chairman. It was my view that if the council were provided with an endowment that would produce a specific sum that would be known to the council, it would have no excuse for incurring deficits and then coming and asking parliament to take care of those deficits. That was one of the advantages some of my colleagues in discussions with me saw in the proposed recommendation to make this an endowment. Otherwise it was feared that the council might become perhaps more generous-minded than it would suit the government to provide for in annual recommendations of votes to the council. We felt they should take the responsibility of administering this fund and disposing of it, and disposing also of any other funds they may have placed under their control for those purposes.

I would be much disappointed if they incurred deficits and then came back to us and said, "We felt this was such a good thing that we had to do it, and you should bail us out of the commitments we have made in this regard." I would hope the council would carry on in such a way that it would not have parliament faced with the fait accompli of commitments or debts having been incurred without provision for taking care of them having been made in advance.

Mr. Hamilton (York West): I can understand from that explanation why there is nothing in the Prime Minister's mind covering future situations of that kind. I might ask him, then, if he has given any more thought to what he said yesterday about a method of scrutiny to ensure that such a situation does not arise. I think he said there was some method which would assure that we would be apprised of these expenditures and informed how the council was progressing from time to time.

Mr. St. Laurent (Quebec East): I am sure there are several ways by which hon. members of the house would find it possible to give full expression to their views about the proper administration of these funds. One method which would be strictly within the rules would be for any hon. member to put a notice of motion on the order paper that the reports of the council and the Auditor

General be referred to such and such a committee. Every time a motion is made to go into supply there would be, of course, an opportunity for discussing as a grievance—if an hon. member felt he had a grievance—the manner in which the council was discharging its responsibilities. There would be an opportunity for expressing commendation of the success being achieved by the council or in the alternative of expressing regret at their not having been able to make more progress in the promotion of these worthy objectives in the debate on the address in reply to the speech from the throne, and the same would be possible in the budget debate. The Minister of Finance could be reproached for not having made a recommendation to parliament to increase the endowment or to increase the funds at the disposal of the council.

If in order to have the kind of discussion here that would maintain the interest of the public in the administration of the affairs of the Canada Council it proved necessary to have some kind of token item in the estimates, I am sure that could be arranged. I am sure there will be general agreement among all hon. members that it will be in the interests of the council and of the proper discharge of its responsibilities to have an opportunity for a discussion in the house as to what is being done and what should have been done and has not been done.

Mr. Hamilton (Notre Dame de Grace): Mr. Chairman, I have a question I would like to ask the Prime Minister in this connection, but before I do so I would like to comment on his remarks. One of the methods he suggested as an opportunity for the house to follow the activities of the Canada Council was for someone to put on the order paper a motion that the matter be referred to a special committee of the house for discussion. I want to say that I hope this is done; and though it is perhaps unlikely that the Prime Minister will still be here at that time, I would hope if he is that we would have a little better luck in this regard than we have had with some of our other demands to have items referred to committees.

I might mention the defence estimates as an example. For about three or four years, ever since the estimates committee was set up, we have asked to have the estimates of the Department of National Defence referred to that committee for consideration, but without success. One needs only to go back over *Hansard* to find innumerable instances when those of us on this side of the house have pressed for matters to be referred to a committee and have been flatly refused by the same right hon. gentleman who now stands there and says, "Well, we can always refer this to a committee if you ask for it."

Having made that observation on the Prime Minister's remarks, Mr. Chairman, I wonder if he could give the committee some idea as to the type of procedure that is envisaged for the council in dealing with this endowment in order to obtain the necessary interest which I understand is to form the basis of the grants.

Mr. St. Laurent (Quebec East): Mr. Chairman, the intention is to choose competent, experienced investment businessmen to form part of the investment committee, with as members ex-officio the chairman of the council and one other member appointed by the council. It is not intended to restrict them to trustee investments but to leave to them the responsibility of selecting the kind of investments they would feel were safe and were sufficiently remunerative. It might very well happen that there would also be investments which would increase in capital value because of the present rapid development taking place in Canadian enterprise.

Mr. Michener: Would the Prime Minister consider it appropriate if the council decided to invest their entire funds in Canadian government bonds?

Mr. St. Laurent (Quebec East): If the experienced investment men came to the conclusion that the best possible investment was in government of Canada bonds I would be quite surprised, because I know of many good investments which may not have the immediate liquidity of Canadian government bonds but which have provided not only a good income but a substantial enhancement in capital value. There was the feeling that an investment committee properly constituted might be able to make the kind of investments which would have the required degree of safety and would provide a reasonably good income, but which also would have prospects of growing up with the country.

Mr. Hamilton (Notre Dame de Grace): Mr. Chairman, does not the Prime Minister see a certain inherent danger in such a procedure? You are taking $50 million of public funds and turning them over to a committee which no matter how good its judgment—let us assume for a moment that its judgment may be excellent—may very well find itself, as many other groups did in 1929 and subsequently, caught in circumstances completely beyond its control with the result that a large portion of its capital may be completely wiped out. At the same time, in the expectation that they will have an assured revenue over a period of years, they may have committed themselves to a continuing

program of expenditure for scholarships and other things, a program which will have hundreds or perhaps thousands of young people depending on revenue from this committee.

If there is an unfortunate turn of events—we do not need to go back to 1929; we can come forward to 1939, when with the advent of war the bottom was kicked out of the stock market for a while; we can come ahead to the present time when even government bonds have shown some of the widest fluctuations in all history—unfortunate results may follow. Does the Prime Minister not feel that there is great danger in establishing what appears to be a continuing program of grants and donations for cultural activities based upon revenues from sources which are not assured?

Mr. Macdonnell: Mr. Chairman, I wanted to ask the Prime Minister a supplementary question which perhaps he could answer at the same time. I have been very interested indeed in the suggestion I gathered from the Prime Minister, that there is to be wide-open power of investment here. The Prime Minister referred to stocks growing up with the country and so on. I have been asking myself why this group should have this wide-open power as compared with, let us say, insurance companies.

If I followed the Prime Minister correctly, it is expected that they are to make investments very different from, let us say, what the government would make itself if it had money to invest. My question is, why should this wide-open power be given? It does introduce an element of adventure into the situation which perhaps is desirable, but otherwise it is hard for me to understand why this group which is not supposed to be essentially an investment group should be loaded with the responsibility of investing $100 million.

It has been suggested already that they might have to come back and say they had intended to grow up with the country but unfortunately one or two bad stocks had showed a considerable loss. If that happened I take it that we could not let the Canada Council down, and what would happen is that the council would have to come and confess its mistake and then ask the government to give it the money for what was needed. I suppose this is something which could more properly be dealt with when we have the bill before us and know its terms.

Mr. St. Laurent (Quebec East): I am sure the members of the council will have in mind all the considerations which have been mentioned by hon. gentlemen. I have not the trepidation indicated by the hon. member for Notre Dame de Grace and the hon. member for Greenwood about the results. They are not going to be restricted to making investments of the character to which insurance companies and other trust institutions are confined. The council will have the assistance of this investment group but it will not be obliged to make all the investments recommended by the investment committee.

Mr. Macdonnell: May I ask if they are to have wide-open powers?

Mr. St. Laurent (Quebec East): They are to have wide-open powers, but that will not prevent them from being as cautious as their nature and temperament would be apt to make them. It was felt that the boards of governors of the universities which have the same wide-open powers, except where they are confined by stipulations by donors, have not done a bad job throughout the years for the institutions which they were operating. I am confident that there can be investments made other than those listed in the restrictive lists available to trust companies under the act applying to them.

Mr. Hamilton (Notre Dame de Grace): Mr. Chairman, is the Prime Minister in position to assure the committee that the operation of this fund will be a matter of public record and that the house will be supplied with information when the annual report is tabled as to the securities purchased and other operations carried on during the year?

Mr. St. Laurent (Quebec East): There is a provision requiring them to make a report on their operations during the year.

Mr. Hamilton (Notre Dame de Grace): That is not quite what I had in mind, a report on their operations. Crown corporations make reports on their operations during the year and on many occasions it has proved exceedingly difficult to obtain even what we considered reasonable details going beyond the general picture of the operations. My specific question was this; whether the investment operations of the Canada Council —the investment of this $50 million fund, and the purchases and sales made—would be a matter of public record so members of this house may be informed of the facts in that connection.

Mr. St. Laurent (Quebec East): The hon. gentleman will find in the bill a clause that we consider is sufficient. If he does not consider it sufficient, there will be an appropriate occasion for discussing it further. A report of all the proceedings of the council under this act will be required.

The Chairman: Shall the resolution carry?

Some hon. Members: On division.

Mr. Knowles: Since some members are saying "on division", shall we have a standing vote?

Resolution agreed to: Yeas, 101; nays, 5.

Resolution reported and concurred in.

Mr. St. Laurent (Quebec East) thereupon moved for leave to introduce Bill No. 47, for the establishment of a Canada Council for the encouragement of the arts, humanities and social sciences.

Motion agreed to and bill read the first time.

CANADIAN WHEAT BOARD ACT

AMENDMENT TO EXTEND EXPIRY DATE

The house resumed, from Friday, February 1, consideration of the motion of Mr. Howe (Port Arthur) for the second reading of Bill No. 9, to amend the Canadian Wheat Board Act.

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, I thank the house for the kindness they showed me last Friday evening when they allowed me to call it six o'clock.

I rise in this debate at this time because of certain statements made by farm union organizations, and statements carried in the press such as the following: "A drop of 30 to 33 per cent in local poultry prices has occurred twice during the 1956 period as a result of eggs imported from the prairies or other areas into British Columbia". One might ask, what has that to do with the wheat board? The wheat board, Mr. Speaker, regulates the sale of feed grain outside the provinces and, as I understand it, the very fact that the wheat board has been set up by parliament and has regulatory power with regard to the selling of this grain does have a material effect on the cost of production of poultry, livestock, dairy and other farm products in British Columbia.

Now, Mr. Speaker, I understand that the main purpose behind this bill is to extend the life of the present wheat board act for another five years. I am quite satisfied, from present indications, that the hon. members of this house will support this particular bill.

We in British Columbia, particularly, realize the value of orderly marketing; we have other marketing boards in my province, and for a long time we have recognized the value not only of the wheat board but of other marketing agencies. However, I wonder whether the minister would be in a position later to advise the house as to the effect the wheat board, as now constituted, exerts upon activities which are dependent upon the grain that goes through the hands of the board. I am talking of grain which goes into areas such as Ontario or British Columbia.

I believe, Mr. Speaker, that before one decides to continue an act of this kind—an act which has been in operation now for a good number of years, working efficiently for at least one part of the country—we should be in a position to know exactly how it is operating in so far as the rest of the country is concerned. We should know what it does in the way of injuring, on the one hand, or of increasing and enhancing, on the other hand, productivity in other areas of the country. The prairie region is not the only one that is affected by this bill or by the implications of the act as it has been operated.

As I understand it, the operations of the act apply more directly to the provinces of Alberta, Saskatchewan and Manitoba. Grain farmers in those areas—and the minister may correct me later if I am wrong—are permitted to sell grain to other farmers within their own particular region without participation by the wheat board, but when other producers in other provinces require grain it would normally come through the wheat board under the terms of the act. They are permitted to sell grain for feed freely as long as it does not leave the province. However, when the grain leaves the province it is apparently a completely different matter.

Now, I ask the Minister of Finance, who took the estimates of the Minister of Agriculture through the house recently, a question with respect to that. I was interested in discovering whether the wheat board act applied in the case of grain grown in the Dawson Creek area, which I believe comes under wheat board regulations, and is hauled by rail by way of Edmonton to Vancouver. The minister was not sure whether or not that wheat would be subject to the wheat board regulations. He indicated at that time that he felt it would not be, because the grain is actually grown in the same province and is taken from the Dawson Creek area to Vancouver. If such is the case I would be pleased to hear the minister either substantiate or refute that statement because the Minister of Finance said he was not absolutely sure.

Common sense tells me that it would be perfectly legitimate and right to do so. The purpose in asking the question was to discover whether such grain carried from the Dawson Creek area through the province of Alberta and then into British Columbia would be eligible for the freight rate subsidy. Personally I see very little difference between paying the subsidy on such feed grain carried by rail and letting a trucker carry it from Dawson Creek to Vancouver and paying him

a subsidy for doing so, thus reducing the cost of feed grain to the people of the lower mainland of British Columbia. That is certainly one question that causes us a great deal of concern.

During the course of the present session of parliament the procedure followed on the prairies for some time, whereby farmers within one province will sell feed grain to feed lots, poultry producers, dairy producers or neighbouring farmers at $18 to $20 a ton, has been drawn to the attention of the government. We on the lower mainland of the province of British Columbia have to pay $70 to $75 a ton for the same grain, and in some instances it is not nearly as good in quality.

I am particularly interested, as are the people of the lower mainland of British Columbia, in the effect of this policy. Here we have the development of poultry and dairy production on the prairies because the feed lot operators find they can get grain at a much lower price than we can in the lower mainland of British Columbia. The result has been that many of our producers have gone out of business. What effect does the operation of this act have on the farmers in the lower reaches of British Columbia?

The minister may dispute what I say about our farmers going out of business, but let me put the matter this way. In the last five years there has been a 20 per cent increase in the population of British Columbia, and under normal circumstances when the population increases industry within the area pretty well keeps pace. We did have a poultry industry and we still have a portion of it left. We did have a dairy industry and we still have a fairly good dairy industry. As far as hogs are concerned, I do not think we have a hog industry any more. Nevertheless, with the increase in our population we should have increased consumption of feed grains in the province.

To be more specific, I received a report from the feeds administration of the Department of Agriculture dated December 31, 1956. On pages 11 to 16 of that report there is a very clear indication of the situation with respect to the consumption of primary products in the province. For instance, in 1941—I realize I am going quite far back to show the picture—we purchased 9,519 tons of wheat, and from then on there was a substantial increase until the year 1947. In that year we purchased 131,964 tons of feed wheat. But each year since then there has been a progressive decrease in the amount of wheat purchased for feed purposes, until in 1956 we purchased only 65,830 tons of feed wheat. In other words we purchased 131,964 tons in 1947, while we purchased only 65,830 tons in 1956.

The same thing is true of oats and barley. Taking the over-all totals, in 1941 we purchased 21,000 tons of grain and that figure rose to a total of better than 329,000 in 1947. Then it dropped to 162,381 tons in 1956, about half of what we purchased in 1947. I am sure it is very obvious that either one of two reasons is responsible for our using less feed grain in British Columbia. Either we are growing more in the lower mainland of British Columbia or in the Okanagan, or we have cut down on the production of dairy, poultry and other animals which consume this type of feed.

If the minister were to discuss this question with the Minister of Agriculture I am sure he would discover that what I have said is true, that since 1951 our population has increased by 20 per cent; yet over the past 10 years our purchases of grain to feed our poultry and livestock have fallen to less than half what they were. In my opinion we have a very difficult position, in that within the prairie provinces there is a marketing board which promotes the sale of feed grain to neighbouring farmers, poultry producers and others, with the result that these people have gone into poultry and livestock businesses in large measure.

I pose this question. What will be the effect on the economy of the country if the prairie grain producer finds himself in the position in which the Minister of Agriculture indicated he may possibly find himself in the very near future? You may ask me what statement I am referring to.

The statement was to the effect that all the prairie farmer needs is a year or two of bad or poor crops and he will not have any wheat to sell. As I see it, if the prairie farmer finds himself with a short crop he is going to have ready cash, cash which he would normally get by selling his wheat at these fire-sale prices of $18 to $20 a ton. If he has ready cash he is not going to sell that grain to his neighbouring farmer, the poultry producer or the feed lot in his area for $18 to $20 a ton; he is going to want $70 to $75 a ton.

In the meantime we in British Columbia have got rid of our record of performance chickens; we have got rid of our purebred stock, and since you cannot grow breeding stock overnight we are not going to have a poultry industry, a dairy or a cattle industry in British Columbia. If we do have an industry it will be such a small one it will be unable to look after the needs of the area. As I see it then, Mr. Speaker, we in British Columbia find ourselves in the

unfortunate position of looking to the future with declining poultry, dairy and cattle industries because of the sale of these cheap grains between wheat farmers and livestock and poultry producers on the prairies. When that time arrives the wheat farmer who did require this cash, about which we hear so often in this house, is going to be in the position of being able to sell his wheat to the wheat board. Then the poultry producer on the prairies will be out of business, as will the cattle producer.

This can mean only one thing, Mr. Speaker. Before this act is extended for an indefinite stage—certainly it will pass this house, because we are all in support of it—the Minister of Trade and Commerce should set up a fact-finding board to discover what effect it is going to have on the economy of the country as a whole. As I see it today we have a form of interprovincial dumping. It is not dumping in the true sense of goods being dumped from one country into another, but rather from a neighbouring province such as Alberta into British Columbia or possibly from Manitoba into Ontario. I am satisfied that the minister should have an examination made of this whole matter in the near future.

Now, once costs to the prairie farmer producing cattle and livestock go up to the degree I spoke of earlier, then he is going out of the poultry and livestock business. When he has ready cash he will do as he always has; he will become a grain farmer again. When he is in that position he is going to have to charge exactly the same price to the British Columbia producer. Then these poultry or livestock products, whatever they may be, will be shipped from the prairie provinces across the mountains, and we in British Columbia will have to pay the additional cost of refrigeration, the higher freight for carrying this type of product, and the handling charges which are considerably more than the handling charges for grain.

I indicated earlier that I believe in orderly marketing. I believe in this wheat board act. However, the British Columbia producer, who believes also in orderly marketing, is asking this question. Why is it not possible for the British Columbia poultry or livestock producer to get from his prairie counterpart, from the grain producers on the prairies, grain at the same price the prairie wheat farmer charges his neighbour, especially when these grains are going to be fed to animals? The fact is that it would be quite simple to give the primary producer in British Columbia or in Ontario a book the same as the grain farmer on the prairies has. It would be very easy to establish what he was doing with that grain. The act could provide for heavy penalties for misuse of the grain. It would not have to be sold by one producer to another, but it would make it possible for primary producers to get wheat and would give agriculture as a whole a lift, not only on the prairies but also in my own region.

In conclusion, Mr. Speaker, I would request—and I am quite sincere in this—that the minister discuss this matter with the government. Then the government could take the initiative and immediately set up a fact-finding board to determine:

(a) The immediate effect on the poultry, dairy and livestock industries in British Columbia, Ontario, Quebec and the maritime provinces, depending upon feed grains from those areas subject to the continuation of the wheat board act;

(b) The long-term effect of continuation of this act in these same areas.

Further, I would request that the government take the initiative in immediately setting up this fact-finding board to determine the effect of a short-term or long-term continuation of the act in both heavy and light crop years on the prairies, and upon consumer prices in those provinces not directly affected by the wheat board legislation, that is provinces such as British Columbia or Ontario.

Finally, I would ask that the fact-finding board bring in a report to parliament at the earliest possible time with such recommendations as they might make with respect to modifications to the act as a result of their findings. I contend most seriously that the bread basket of Canada should be the boon and not the bane of the agriculture industries which are dependent upon it.

Mr. Rene N. Jutras (Provencher): Mr. Speaker, I wish to take a few minutes to discuss this bill which is now before the house, a bill which appears periodically to renew the compulsory powers of the Canadian wheat board. Before commencing my remarks I should like to say I am sorry the Leader of the Opposition is not in his seat. This is not a criticism, because I fully appreciate the tremendous task that lies ahead of him and I appreciate that he must have great demands on his time. However, this is the first opportunity I have had of addressing the house since he assumed the leadership of his party and became leader of the official opposition in this house.

I did want to say to him that I was very pleased when he took over the leadership of the party, and I wish him a long stay in opposition. As a matter of fact I intend to

deal this afternoon mostly with the remarks he made in opening this discussion, and I shall make my contribution toward keeping him in opposition as long as I can.

In opening the discussion on this bill the Minister of Trade and Commerce gave a full review of the history and the early development of the Canadian wheat board. It is a good thing to have this information placed on the records of this house from time to time, because nobody can actually appreciate or fully understand the present set-up of the wheat board without knowing the early beginnings and the various stages of development through which it went.

After the Minister of Trade and Commerce was through the Leader of the Opposition thought he would add to what had been said, and he proceeded to put a new interpretation —an interpretation which I thought was fantastic—on what actually happened in 1935 when the Canadian Wheat Board Act was enacted. In other words, he attempted to put the blame for the failure of the Tories in 1935 on the Liberal opposition of the day. I am fully aware that the Liberals in 1935 were a very formidable opposition. As a matter of fact they chased the government out of office and practically ran them out of the country; certainly they chased them out of the west, and they have never recovered since. But to suggest that the late Right Hon. R. B. Bennett, in the last few days of the session, held, as the Leader of the Opposition said, some discussions with the opposition as to what type of legislation he would bring in just before the election is to my mind rather fantastic, because actually that is not exactly what happened.

The whole record of what took place in 1935 is available for anybody to see. The question that arises is why would the Conservative government actually enact any legislation at all in 1935 if they did not believe in it? The truth of the matter is that in 1935 the Tories had no sympathy with the compulsory board in the first place, and they tried, apparently as they are trying now, to put the blame for their failure on the opposition. The fact of the matter is that the legislation was referred to a select committee of the house, and it was the government itself that demanded its own bill in the committee before it was reported back. Therefore, actually the Liberal opposition never had a chance to vote against the bill in the first place.

The opposition in 1935 were too smart to pull any chestnuts out of the fire for their Tory opponents. They left in the bill a great many sections that would have made the Canadian wheat board a complete monopoly as far as the movement and transportation of grain was concerned. I believe the sections of the act were sections 9, 10, 11 and 16. These sections would have made a completely compulsory board, but when the Conservative government proclaimed the act they very carefully left out all those sections and they were never proclaimed by the government. Actually they could not have been very determined to have a compulsory board in those days.

This has been the official policy of the Conservative party from 1935 right up to the present day, as far as I know. The last time this matter was fully debated at a Conservative convention was in 1948. I think a great many people in this country remember what happened at the 1948 convention. That was when the *Free Press* referred to this particular phase of the convention as the "double-talk division". There was quite a row; the funny cat of the wheat board was let out of the bag and the famous resolution of the 1948 convention ended up in this way:

"We favour a return to the wheat board; that the wheat board of 1935 be revived in respect to those farmers who wish to sell their wheat to the wheat board"; but they add these words: "by any other means".

And then they had a long discussion as to whether it should be "any other means, alternative market or straight open market"; but that was the official Conservative policy up until the last convention. Of course I do not claim to know what took place there, but I have not seen or heard of any new resolution to take precedence over the last one.

In 1943 and 1949 the previous leader, Hon. George Drew, took the exact position that the Conservatives took in 1935. I have here just for the record a report of the speech of the then leader of the opposition in 1949, as reported in the Ottawa *Citizen*. He spoke at Melfort, Saskatchewan, on May 25, 1949, and I quote:

Outlining his party's agricultural policy at a Victoria day rally in this prairie town, Mr. Drew said the Progressive Conservatives believed the Candian wheat board, now the sole marketing agency for wheat, should revert to the 1935 status.

As I say, so far as I know, this has been pretty well the official policy of the Conservative party all the way down from 1935 to this day. I do not know whether any change was made at the last convention, but we shall probably hear about that during this debate or at a later date during the year.

The other day, while another member was speaking, the hon. member for Brant-Haldimand (Mr. Charlton) interjected what he thought to be the stand of his party on the Canadian wheat board. He interjected that if anybody wanted to know what their stand

was all he had to do was to read the speech of the Leader of the Opposition at the opening of this discussion. I read the speech of the Leader of the Opposition on this question very carefully, and I must say in all frankness that if this is to be the declaration of faith in the wheat board it is not a very reassuring one.

The Leader of the Opposition proceeded to say again at page 893 of *Hansard* that he is for the Canadian wheat board. He said that during the operation of the Canada-United Kingdom wheat agreement—mind you, this is a five-year period—"the wheat board did not operate for the benefit of the western farmer". A little later on he went on to point out that the board was operating for political considerations in 1949, and that it was operating for political considerations in 1953. I would take it that by the same token the board must be operating under political dictation this year, because again this year it is making an interim payment, and there is likely to be an election this year as there was in the other years mentioned. Therefore, if it did not operate for the benefit of the producer from 1945 to 1949 and did not operate for the benefit of the farmer in 1949, 1953 and 1956, one would ask the obvious question. When did it operate to the advantage of the producer? That kind of support for the Canadian wheat board is hardly a declaration of faith in its operation.

I am afraid the official opposition have been doing this, not only now but in the past. I think at the last session the present Leader of the Opposition was one of those who advocated very strenuously that a committee of businessmen be appointed as salesmen to be sent throughout the world to find more markets for our grain.

In effect that is simply to say that they want to take the sale of grain out of the hands of the Canadian wheat board.

Mr. Diefenbaker: Nothing of the sort; it was to get markets, not to deal with grain.

Mr. Jutras: If the bulk of the responsibility for selling the grain is given to another body it is certainly not an indication in any man's language of faith in the ability of the board to sell grain. All in all there are too many people in this country and particularly in this house who constantly pay lip service to the organization and then proceed to criticize, damage and condemn its operations. Surely if the operations are not successful and are not working to the advantage of the farmer the organization cannot be a good one. There is no point in paying lip service to the organization unless you are ready to give it your support. I can understand certain criticisms being made, but when you criticize the very essence of the operations of the board then it is a much more serious matter. This business of accusing the board of playing politics simply because it happened to make an interim payment during an election year is just plain nonsense.

I might remind the Leader of the Opposition that there was a member of his party who tried that several years ago. He was the first one to bring criticism of that nature into this house. That hon. member never came back after he made his criticism, and he heard a great deal about it in his own constituency. I am quite sure the producer would justifiably resent any criticism of that type. The argument that the board is playing politics because it borrows money to make a payment to the farmer—

Mr. Diefenbaker: Just before an election.

Mr. Jutras: —does not hold water. It reveals that those who make that charge do not understand the operations of the board. The Canadian wheat board could never make a payment of any kind if they did not borrow. We started this year with a surplus of close to 500 million bushels of wheat, and if we have a crop similar to last year's we will be faced with a surplus of approximately one billion bushels. Even with an average crop it takes approximately three or four years to dispose of a surplus of that kind, and if you have a series of crops which are greater than average, such as we have had during the last three or four years, then the surplus cannot be disposed of in a period of under six or seven years at best. At that rate the producer would have to wait a long time before he could receive any payment. Of course it is untenable to argue that because the farmer received an interim payment it is an effort on the part of the government to obtain votes.

In the first place there is not a single farmer in western Canada who does not realize that when an interim payment is made it is money from the sale of his own grain. It is ridiculous to suggest that you can influence the farmer by telling him that the wheat board is making a payment. The farmer knows very well that the money does not come from the government or the treasury. He is fully aware that the money comes from the wheat board, and the farmer makes a big distinction between the Canadian wheat board and the Canadian government. The farmer has more sense than to believe that the money comes from the government. It has been the practice over the years to endeavour to space payments periodically as conditions warrant them. Surely we are not going to argue that because an election is pending the wheat board should withhold any payment to the

farmer. Anyone who suggests that the payment which has just been announced is for election purposes will be laughed out of the west.

Mention has been made of the United Kingdom wheat agreement. In dealing with this subject the Leader of the Opposition, as he has on many occasions in the past, attempted to leave the impression that this was entirely the responsibility of the government and that he and his party had not supported this agreement. He was very careful to time his remarks and to couch them in language to suit his convenience. He proceeded to decry the great losses under the United Kingdom agreement and concluded by saying, as I recall his words, "However, the contract was entered into".

The hon. member should have said that the contract was entered into in the first place and the Conservative party at that time supported the United Kingdom agreement. I remember it as if it were yesterday. For the benefit of those who were not here at the time I will place on the record the words of the leader of the official opposition of the day, Mr. John Bracken; and I quote from page 4811 of *Hansard* for August 14, 1946:

> I rise at this time to criticize the government's wheat policy. But before doing so, let me say this, with respect to the United Kingdom wheat agreement. Any agreement such as this which tends to level out the inequalities, and the wide fluctuations of prices in the past, is a step in the right direction. Even this agreement is better than no agreement at all . . .

He then goes on to give some of his reasons for supporting the agreement. No one in the official opposition should now criticize the agreement. Every word of criticism spoken by the Leader of the Opposition rings false, because the agreement was passed unanimously with no dissenting vote at the time of its adoption.

While I am dealing with the remarks made by the Leader of the Opposition I might say I was rather amazed at the way he treated the question of the United States fire-sale policy, or rather the policy of selling grain at cut-rate prices. He intimated that the Canadian government was not aggressive enough in dealing with our friends to the south. I think we all appreciate that the policy of the United States creates a very real problem under which it is difficult for our agency the Canadian wheat board to sell grain in the world markets. No one wants to make it any worse than it is. I would like to quote the contention of the Leader of the Opposition when he spoke in this debate on February 1, 1957, as reported at page 895 of *Hansard:*

> We supply the United States with a major portion of its needs to forge the shield of freedom. We are a have country and they are becoming a have-not country.

With all due reference I would suggest, Mr. Speaker, that while perhaps the United States is becoming a have-not country, it is a long way from having reached that stage, and if anyone went to Washington today with that opinion in mind he would receive quite a surprise because they are still an extremely powerful country. The attitude expressed by the present Leader of the Opposition reflects perfectly the attitude of one of his ablest predecessors, who attempted to express an attitude of that kind in the thirties with disastrous results about which we all know. To attempt at this time to revert to the attitude voiced in those days will accomplish no good results and may very well cause a great deal of harm. An attitude of co-operation is still best, and I am confident that eventually, once they have put their house in order, our friends to the south are going to appreciate our problems more and more and will co-operate with us fully. Then we will be able to meet the situation.

I would not want the impression to be left that because of the fire-sale policy of our friends to the south the Canadian wheat board has been losing markets over the years. There came to my hand just this afternoon the latest report of the Canadian wheat board for 1955-56. This contains a table giving Canada's percentage of the world wheat export market. Starting from the end of the war the United States have been the largest exporters of grain, except in 1952 and 1953. Actually we are in no worse position today than we were in the years since the end of the war. Of course we were once a great leader and exceeded the United States by a wide margin before the war, but as we all know the United States at that time were not making any efforts to grow wheat. It is only from the war on that wheat production has been increased.

Mr. McCullough (Moose Mountain): Is it not true that Canada has lost a percentage of the world export wheat market?

Mr. Jutras: I have the percentages right here, indicating to what extent the United States were ahead of us.

	Per cent
1945	1.9
1946	22.9
1947	29.9
1948	28.1
1949	8.0
1950	14.8
1951	12.3

Then in 1952 we had 6.8 per cent more than the United States; in 1953 we had 7 per

cent more. In 1954 they exceeded us by 2.3 per cent and in 1955 by 4.4 per cent.

Mr. McCullough (Moose Mountain): Is that not a loss for 1954?

Mr. Jutras: When you talk about a loss you have to take a comparison. You are using a comparison. If you take from 1945 to 1952 it will be seen that the United States had a greater share of the world market than we had. Then we recovered, and today they have only 4.4 per cent more than we have. Considering the conditions under which they operate, give-away sales and so on, I think it can be said that the Canadian wheat board has had a most successful operation and that the future is not as dark as some would have us believe. The picture is still a good one.

I have the figures for grain movements from August 1 to December 31 of last year. The clearings at the lakehead were 367 million bushels as compared with 267 million bushels the previous year. Deliveries at elevator points from the beginning of the crop year until January of this year were 251 million bushels as compared with 167 million bushels for the previous year. Exports were 187 million bushels as compared with 132 million bushels. In the case of wheat there was a 35 per cent increase; in the case of barley a 60 per cent increase. Those are the figures from the first of the crop year, August 1, 1956, to January of this year. If that trend continues this should be an outstanding year. If things should enter into the picture to cloud it there is still every indication that 1956-57 will be better than the previous year.

Mr. Johnston (Bow River): Would the hon. member put on the record the prices which the United States farmers received in those years as compared with the prices received by Canadian farmers, so we may make a comparison?

Mr. Howe (Port Arthur): Does my hon. friend want it for each farmer individually?

Mr. Jutras: The hon. member has as much time as I have to figure it out, so why does he not do it?

Mr. Johnston (Bow River): I should like to have that with your figures so it will be available when people are reading your speech.

Mr. Jutras: Obviously the hon. member was not listening or he would have known that I was simply dealing with the proportion of sales, which is an entirely different matter. If the hon. member wants to make a different speech he can do so. I forget what year it was, but during the discussion of the British wheat agreement I did put on record Canadian prices as compared with United States prices, and that might suit my hon. friend. He can go to the library and get the speech I made some time in 1945 or 1946.

I want to say a few words about this quota business. Our socialist friends are always complaining about the inequity of the quotas in the various provinces. As the result of a speech made by the hon. member for Assiniboia last year I said I thought far too much emphasis was being placed on the quota figure, because it is not indicative of the true picture. There are many places, particularly in Manitoba, where the quota will go up to 8 or 12 bushels because the district has been cleaned out of grain after having reached a quota of 5 bushels. Whether they have a quota of 5, 8 or 12 bushels does not mean they have delivered that much grain. We all know there are many elevators which have quotas open but no box cars in which to deliver the quotas.

The wheat board seem to be very sensitive on that score, but I do not think they should be. I think an effort should be made to show the people that this quota figure does not tell the whole story. I know that on many occasions the wheat board has been reluctant to increase the quota at a given station simply because it would not look good. The moment they open a quota somewhere, right away representations are made that because there is an 8-bushel quota in one spot and another spot is still on a 1-bushel quota, the lower quota should be increased. I quite appreciate the difficulty.

I do not think it is fair that in a community where the people cannot deliver elsewhere and where there is space in the elevator, they should not have a higher quota. There are instances, and many, in Manitoba, where they have a highly diversified agriculture, with extensive storage facilities and small acreage, where they can almost take the entire local crop with the 1-bushel quota—not an entire crop, but enough room locally to take the one-bushel quota—without any box cars at all. I know some instances when there was plenty of space available to take another 2-bushel quota. I grant that these are individual cases, but again last fall there were several places where there was plenty of room in the elevator, but simply because the quota allowed was already high as compared with the quota elsewhere it was held down, the reason being that otherwise a lot of people would have criticized the board in respect of its operations.

As I pointed out last year, the quota does not give the figure which really matters. In Manitoba, according to the seeded acreage, we

have a far smaller percentage of grain delivered than Saskatchewan, proportionally speaking, in spite of the fact that the quota appears to be very much higher in Manitoba than in Saskatchewan.

The hon. member for Assiniboia last year mentioned the *Wheat Review*. That is what I have here now, the Canadian *Wheat Review* for December, 1956. At that time Manitoba had 12 per cent of the deliveries, Saskatchewan 62 per cent and Alberta 24 per cent. The long-term average from 1945 to 1952 is 13 per cent for Manitoba, 57 per cent for Saskatchewan and 28 per cent for Alberta. Thus again this year Saskatchewan is getting a greater proportion than Alberta and Manitoba of the total deliveries, as they have been getting from 1945 to 1955. Hon. members may say maybe we were not getting our fair share during the base period. The fact remains that if one bases an average, the only basis which is satisfactory—

Mr. Nicholson: Would the hon. member deny that large shipments through Churchill would be an important factor in that period?

Mr. Jutras: —if you base it on acreage, in Manitoba we have 15 per cent of the total acreage, while Saskatchewan has 52 per cent of the acreage and is getting 62 per cent of the deliveries. Alberta has 31 per cent of the acreage and is getting 24 per cent of the deliveries. I know you cannot cut it down to fine percentages, but what I am getting at is this. The hon. members from Saskatchewan are constantly criticizing and harping that they in that province are being treated unfairly. Actually all the figures disprove that contention, they are being misled as a result of following these quota figures only, figures which do not have the meaning that is given to them. The important thing is not how high a quota is but how much grain a farmer is allowed to deliver. That, after all, is what matters, and I say that on that basis there is no complaint to come from Saskatchewan members; they have had their share, and a full share.

Mr. Johnson (Kindersley): Can the hon. member state an instance when a Saskatchewan member has complained that the Manitoba quotas are too high?

Mr. Jutras: Since you mention it, I certainly will. I have not an instance before me at this moment, but *Hansard* was cluttered up last session with examples. I will not say that the hon. member himself did not do it; certainly the hon. member for Assiniboia did, because that prompted me to get up and refer to this matter during last session. I certainly will look this up and give hon. members many instances of it. What they did was point to the quota in Manitoba in relation to the average quota in Saskatchewan, and they did it on more than one occasion.

I am taking exception to that, because it was misleading. It is not a proper basis for comparison. The proper basis is, as I have said, the amount of grain the farmer is allowed to deliver. That is the real consideration, and that is the one which the board should consider above everything else.

Mr. E. G. McCullough (Moose Mountain): Should we adjourn the debate, Mr. Speaker? I understand that hon. members must go to the other place at a quarter to six.

Mr. Speaker: The proceedings are automatically interrupted by the Gentleman Usher of the Black Rod whenever the knock is heard. In the meantime, if the hon. member wishes to continue the debate he may do so. If no hon. member wishes to speak we can, of course, sit and wait.

Mr. McCullough (Moose Mountain): Mr. Speaker, the other day the hon. member for Assiniboia pointed out that members of this party would vote for the second reading of this bill, which is to extend the life of the Canadian wheat board for another five years. Members of this party support the Canadian Wheat Board Act; as a matter of fact we would like to see the legislation made permanent, because we believe western farmers have so much to gain from the orderly marketing of their wheat. Indeed, we feel rather sorry that the government did not see fit to bring in legislation making this permanent in order to show the confidence they had in this type of marketing.

I would like, second, to point out that members of this group have indicated from time to time that we would like to see the Canadian wheat board handle other grain besides wheat, oats and barley, which are presently under its control. I feel, sir, that the Canadian wheat board has proved the kind of organization which western farmers have been demanding over the years. Those of us who have farmed in the west, and who represent farming constituencies, will remember the years prior to the operation of the Canadian wheat board when western farmers were at the mercy of the Winnipeg grain exchange. I can recall that each year, after the crop was seeded, reports would come out that there was a big crop in the making in western Canada. Away fell the prices that wheat would bring. As soon as the grain was ready to move to the elevators, wheat prices went down. That is why so much has been done over the years by organized farmers to try to find some method

by which they can sell their grain without speculation on the Winnipeg grain exchange.

Throughout the years the C.C.F. has advocated this type of orderly marketing.

THE ROYAL ASSENT

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

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

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

And being returned:

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bill:

Bill No. 25, an act for granting to Her Majesty certain sums of money for the public service of the financial year ending March 31, 1957.

CANADIAN WHEAT BOARD ACT

AMENDMENT TO EXTEND EXPIRY DATE

The house resumed consideration of the motion of Mr. Howe (Port Arthur) for the second reading of Bill No. 9, to amend the Canadian Wheat Board Act.

On motion of Mr. McCullough (Moose Mountain) the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, tomorrow we shall continue with this debate and then take the resolution standing in the name of the Minister of Northern Affairs and National Resources; then the two resolutions in my name which were announced for today, namely the Canadian Farm Loan Act and the Municipal Grants Act.

It being three minutes past six o'clock the house adjourned, without question put, pursuant to standing order.

ANSWERS TO QUESTIONS

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

IMPORTS OF TOMATO PRODUCTS

Question No. 91—**Mr. Lennard:**

1. How many pounds of tomato products were imported into Canada from Italy in the year 1956?
2. What were the values?

Answer by: **Mr. Dickey, Parliamentary Assistant, for the Minister of Trade and Commerce:**

1 and 2. Canadian imports from Italy of tomato products during the period January 1 to October 31, 1956 (latest figures available):

Item	Questions Lb.	Value
Tomatoes, canned (item 137)	2,017,113	$ 147,745
Tomato paste, canned (item 138)	9,186,861	1,282,775
Tomato pulp and puree, canned (item 139)	34,828	3,932

FUR PELT IMPORTS

Question No. 92—**Mr. Lennard:**

1. How many fur pelts were imported into Canada from January 1 to December 31, 1956?
2. How many of each variety and from what countries were they imported?

Answer by: **Mr. Dickey, Parliamentary Assistant, for the Minister of Trade and Commerce:**

1 and 2. Number of fur pelts imported into Canada, by countries, during the period January 1 to October 31, 1956 (latest figures available):

Item	Country	No.
China and Jap mink skins, undressed (item 2155)	United Kingdom	2,000
	Japan	37,000
	Sweden	5,000
	United States	4,300
	Total	48,300
Opossum skins, undressed (2156)	United States	35,766
Raccoon skins, undressed (2157)	United States	216,772
Sheep and lamb fur skins, undressed (2158)	Union of South Africa	5,000
	Australia	11,547
	Argentina	88,089
	Peru	1,716
	Uruguay	22,534
	United States	57,301
	Total	186,187
Fox skins, undressed (2162)	United Kingdom	10,601
	Norway	394
	Sweden	1,413
	United States	2,046
	Total	14,454
Kolinsky skins, undressed (2163)	United Kingdom	36,943
	Hong Kong	1,150
	China	10,463
	U.S.S.R.	66,870
	United States	305
	Total	115,731
Mink skins, n.o.p., undressed (2164)	United Kingdom	11,258
	Denmark	1,561
	Finland	5,456
	France	450
	Sweden	2,067
	U.S.S.R.	1,980

Questions

Item	Country	No.
	Alaska	15
	United States	158,575
	Total	181,362
Muskrat skins, undressed (2165)	United Kingdom	123,000
	Germany West	2,400
	Sweden	20,000
	U.S.S.R.	59,671
	Alaska	821
	United States	1,280,362
	Total	1,486,254
Persian lamb skins, undressed, (includes caracul) (2166)	United Kingdom	221,939
	Union of South Africa	3,080
	Finland	8,072
	Germany West	1,056
	Netherlands	4,216
	Sweden	17,060
	U.S.S.R.	50,032
	United States	577,608
	Total	883,063
Rabbit skins, undressed (2167)	France	176,980
	Japan	112,000
	United States	114,076
	Total	403,056
Squirrel skins, undressed (2168)	United Kingdom	51,100
	Austria	20,357
	Bulgaria	13,000
	Sweden	6,224
	U.S.S.R.	18,000
	United States	96,010
	Total	204,961
Fur skins of all kinds, not dressed in any manner, n.o.p., and raw fur tails (2169)	United Kingdom	221,874
	Hong Kong	29,700
	Australia	1,883
	Argentina	2,000
	Bolivia	30
	Brazil	491
	China	270,700
	Colombia	15
	Czechoslovakia	70,110
	Ecuador	15
	Germany West	115
	Mexico	160
	Netherlands	50
	Sweden	110,002
	U.S.S.R.	66,908
	Alaska	169
	United States	131,646
	Total	905,868

CANNED FRUIT IMPORTS FROM U.S.

Question No. 93—**Mr. Lennard:**

How many pounds of: (a) canned peaches; (b) canned fruit other than peaches, were imported into Canada from the United States, during the year 1956?

Answer by: **Mr. Dickey, Parliamentary Assistant, for the Minister of Trade and Commerce:**

(a) Canadian imports from the United States of canned peaches during the period January 1 to October 31, 1956 (latest figures available), 8,641,610 pounds.

(b) Canadian imports from United States of canned fruit other than peaches, period January 1 to October 31, 1956 (latest figures available), 32,170,406 pounds.

PRAIRIE FARM ASSISTANCE, PRAIRIE PROVINCES

Question No. 94—**Mr. Pommer:**

1. What is the total amount collected from the 1 per cent levy under P.F.A.A. from 1939 to July 31, 1956, in (a) Manitoba; (b) Saskatchewan; (c) Alberta?

2. What is the amount by year paid to each of these provinces under P.F.A.A., from 1939 to July 31, 1956?

Answer by: **Right Hon. James G. Gardiner (Minister of Agriculture):**

1. See schedule (A).

2. See schedule (B).

SCHEDULE (A)

Crop year	Manitoba	Saskatchewan	Alberta	Unallocated	Total levy
	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
1939–40	333,453.13	1,344,208.23	743,121.61	724.40	2,421,507.37
1940–41	354,813.76	1,360,540.00	866,831.79	502.32	2,582,687.87
1941–42	339,969.87	711,869.33	407,642.45	272.05	1,459,753.70
1942–43	481,974.50	1,536,146.00	710,632.53	322.51	2,729,075.54
1943–44	779,490.76	2,743,544.09	1,191,300.92	371.01	4,714,706.78
1944–45	754,366.36	3,218,572.23	1,412,417.31	230.71	5,385,586.61
1945–46	575,408.69	1,977,735.42	873,082.60	131.69	3,426,358.40
1946–47	845,631.86	2,703,357.17	1,644,706.41	112.20	5,193,807.64
1947–48	764,744.37	2,727,187.90	1,624,237.42	148.51	5,116,318.20
1948–49	1,120,741.27	3,417,480.86	2,084,088.52	6,185.87	6,628,496.52
1949–50	1,355,660.07	4,525,628.79	2,515,568.28	197.64	8,397,054.78
1950–51	1,442,138.08	3,890,444.68	2,001,322.58	153.72	7,334,059.06
1951–52	1,331,548.73	5,075,404.05	2,560,006.74	116.72	8,967,076.24
1952–53	1,423,916.39	6,370,894.35	3,074,384.50	5,116.75	10,874,311.99
1953–54	973,258.03	4,939,452.16	2,069,163.48	5,158.10	7,987,031.77
1954–55	748,694.05	3,169,787.24	1,614,486.03	152.31	5,533,119.63
1955–56	731,305.39	3,791,927.03	1,697,305.03	19,077.17	6,239,614.62
	14,357,115.31	53,504,179.53	27,090,298.20	38,973.68	94,990,566.72

SCHEDULE (B)

Program	Manitoba	Saskatchewan	Alberta	
	$ cts.	$ cts.	$ cts.	$ cts.
1939	905,416.54	7,574,890.68	1,429,708.31	
1940	615,109.23	5,603,266.80	504,179.29	
1941	36,513.28	12,010,722.42	3,466,120.05	
1942	nil	nil	nil	
1943	16,685.25	5,037,472.87	2,425,057.59	
1944	163,501.97	2,980,282.68	2,833,762.91	
1945	30,148.50	12,541,768.16	4,395,734.38	
1946	6,163.50	9,204,820.72	1,620,922.17	
1947	490,410.75	13,368,005.75	3,375,088.60	
1948	63,638.75	11,532,255.50	2,544,571.50	
1949	333,089.00	15,373,732.75	6,343,796.25	
1950	347,239.00	5,608,926.00	4,314,371.75	
1951	207,393.00	2,247,920.25	2,171,140.50	
1952	185,691.75	810,803.50	532,101.75	
1953	619,863.25	1,143,177.50	1,007,525.25	
1954	5,259,989.75	21,888,635.50	5,783,097.25	
1955	2,150,946.00	1,175,069.25	1,295,264.50	
	11,431,799.52	128,101,800.33	44,042,442.05	183,576,041.90

Questions

KNITTED UNDERWEAR IMPORTS

Question No. 98—**Mr. Lennard:**

1. What quantities of knitted underwear, by the dozens, were imported into Canada during the year 1956, (a) men's; (b) women's; (c) children's?
2. What was the total value?

Answer by: **Mr. Dickey, Parliamentary Assistant, for the Minister of Trade and Commerce:**

1 and 2. Information as requested is not available. Canadian imports of knitted underwear as specified, during the period January 1 to October 31, 1956 (latest figures available), were as follows:

Item	Lb.	Value
Underwear, cotton, knitted (item 3067)	242,284	$451,606
Underwear, knitted, silk (3245)	9	318
Underwear, knitted, wool (3323)	95,030	299,222
Underwear, knitted, synthetic textile fibre (3385) ...	51,151	154,068

HOUSE OF COMMONS

Thursday, February 7, 1957

The house met at 2.30 p.m.

TRADE

UNITED STATES DISPOSAL POLICY—PROTESTS BY CANADA

On the orders of the day:

Mr. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Prime Minister in connection with two articles in the current issue of the *Financial Post*. Is it correct, as reported in these articles, that the Prime Minister recently sent a letter of protest or objection to the President of the United States against the give-away program of the surplus agricultural products of the United States? If so, when was that letter of protest sent? Has the President replied to it?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I saw the two items in the *Financial Post* to which the hon. gentleman has referred and I was very much surprised to see them. I do not think I should either confirm or deny that there have been any such letters. There are occasions when it is necessary for those who have responsibility to have confidential conferences, and this method of publishing certain statements and then getting a confirmation or denial would make the system of confidential interviews or confidential correspondence lose practically its whole value. If there is a statement that there has been confidential correspondence and that it is not to be disclosed, there are people who are so suspicious as to think there must be something to hide in that kind of correspondence. I think it is highly desirable that those who are in responsible positions can have these confidential communications without there being this publicity that is not helpful to the ultimate results that are sought to be achieved.

I am sorry that I feel I should not comply with the hon. gentleman's request to either confirm or deny what is in this report. I have had confidential communications, either orally or in writing, on many occasions concerning many different subjects with the President of the United States. There is nothing that should be hidden in those confidential exchanges, but they were directed to achieving results which would be more difficult to achieve if there could not be these frank, confidential exchanges of views. I am quite sure if I attempted to publicize things that both the President and I consider as confidential it would destroy the basis upon which we have been having these confidential exchanges.

Mr. Diefenbaker: Mr. Speaker, this goes further than that. On January 24, 1957, the Minister of Trade and Commerce, when asked whether there had been any protest, used these words which appear at the bottom of page 589 of *Hansard* for that date:

> We do not file our protests in writing; we file them through the committee.

The question as to whether or not there was a protest made to the President of the United States is one in respect of which this house has the right to information. This is not a personal conversation, this is a protest on behalf of the people of Canada, if indeed such a protest was made; and for the Prime Minister to take the stand that when it is convenient not to give information to parliament the method of going about it is simply to make a protest—

Some hon. Members: Order.

Mr. Diefenbaker: —in a whisper is not in keeping with the rights of parliament. I ask the Prime Minister once more for this information, because too often throughout this session the house has been denied information to which it is entitled.

An hon. Member: Rubbish.

Mr. St. Laurent (Quebec East): Mr. Speaker, I made no official protest as Prime Minister of Canada to the President of the United States.

FACILITIES AND ORGANIZATIONS IN IRON CURTAIN COUNTRIES

On the orders of the day:

Mr. Solon E. Low (Peace River): Are there any iron curtain countries whose ports are open to the traders from our nation or from any of the free nations to which traders could ply to negotiate purchases in those countries?

Right Hon. C. D. Howe (Minister of Trade and Commerce): So far as I know, every Russian port is open to ships of the world just as Canadian ports are open to ships of the world.

Inquiries of the Ministry

Mr. Low: I did not make the question clear. Is it not true that Canadian traders in the ports of the iron curtain countries have to deal through a government corporation in most of those countries? If not, are there any iron curtain countries where ports are free so far as negotiations and purchases are concerned?

Mr. Howe (Port Arthur): No. I think all the communist countries trade through state trading organizations; at least Russia does. Sales and purchases are made through that organization.

LABOUR CONDITIONS

WINDSOR, ONTARIO—UNEMPLOYMENT SITUATION

On the orders of the day:

Mr. D. F. Brown (Essex West): Mr. Speaker, may I be permitted to address two questions, one to the Minister of Labour and one to the Minister of Finance. I regret that I have not had an opportunity of giving notice of these questions. My first question will be directed to the Minister of Labour.

Is the minister aware of the serious labour situation in the city of Windsor? If so, is there anything the minister can do to rectify the condition?

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, I am aware that in the city of Windsor there are more applicants for employment in the present mid-winter period than there were at this time last year. It is reported to me that this is mainly due to a number of lay-offs some of which are indicated as temporary in the automobile industry and in the construction industry. In the meantime the national employment office in Windsor, in co-operation with an active citizens' committee for winter employment, are doing their best to find employment for those so laid off.

FINANCE

EXCISE TAX ON AUTOMOBILES—STATEMENT BY MINISTER

On the orders of the day:

Mr. D. F. Brown (Essex West): Mr. Speaker, may I now be permitted to direct a question to the Minister of Finance? Has the minister been advised that the automobile industry is reported to be making an extensive lay-off of employees and are giving as the reason the excise tax imposed by the federal government on the sale of automobiles and the fiscal policies now in effect? If so, would the minister be in a position at an early date to state whether any changes are contemplated in the tax or fiscal policies?

[Mr. **Howe (Port Arthur).**]

Hon. W. E. Harris (Minister of Finance): I know it is common in Canada to assume that if certain taxes were reduced the cost of production would decline and there would therefore perhaps be greater employment. It is easy to suggest that excise taxes are the cause of unemployment. I would not want to say that was or was not the fact in the motor car industry, but if there are any effects of the fiscal policy being felt by the motor car industry in particular it should be borne in mind that taxation is very widespread in Canada, and in so far as it is possible to do so it is the desire of the government that taxation should be borne by the taxpayers in as proper a manner as can be devised.

With particular reference to the motor car industry I have already indicated, and the house on numerous occasions has discussed the question, what affects the sale of motor cars, or at any rate the delivery of motor cars, at this time from the manufacturer to the motor car dealer. I do have an announcement to make in that regard.

Automobile dealers are reluctant in this period before the budget to accept deliveries of cars from the manufacturers. At times when the tax on automobiles is reduced, dealers may have inventory on hand on which tax has been paid, and in order to avoid loss they naturally try to arrange to have on hand as few cars as possible.

To avoid or minimize disruption in the marketing processes in the industry I have decided to announce now my intention to recommend to the house later in the session a minor technical amendment to the Excise Tax Act which I think will solve the problem of the slow-down of car deliveries.

At present excise tax on an automobile is payable by the manufacturer when it is delivered to the dealer or, if imported, when the customs entry is passed. It is proposed to amend the law so that excise tax will not be payable until ownership of the car passes to the dealer. This change, which will be effective as from February 1, will enable the dealer to accept delivery of a car still owned by the manufacturer, but it will not be a tax-paid car until after title to the property has passed to the dealer. This seems to be a sensible arrangement in the case of large items such as automobiles, where the storage problem can be difficult. The ordinary rule calling for payment of tax on physical delivery will continue to apply to other items subject to excise tax.

I need scarcely add that this announcement of a proposal for a minor technical change in the law relating to the time of payment of tax can in no sense be regarded as

any indication of whether, in the forthcoming budget, there will be any change in the rate of tax on automobiles either up or down.

Mr. Michael Starr (Ontario): Mr. Speaker, in view of the announcement which has been made by the Minister of Finance I wish to thank him very much, because it will certainly help to overcome a great deal of difficulty. I feel it was as a result of my pressing this matter.

Mr. Brown (Essex West): Mr. Speaker, may I make a supplementary statement. As suggested by the remarks of the hon. member for Ontario to the Minister of Finance, I wish to state merely that I love him too.

REFERENCE TO PRESS REPORT OF STATEMENT BY MINISTER

On the orders of the day:

Mr. Colin Cameron (Nanaimo): Mr. Speaker, I should like to address a question to the Minister of Finance. In view of the minister's recent address in Toronto in which he was reported as having urged the Canadian people to spend less and save more, as an anti-inflationary measure, could the minister tell the house if it is the view of the government that the unprecedented capital expansion by private corporations is less of an inflationary factor than the expenditure on consumer goods by private citizens?

Mr. Speaker: If the hon. member will allow me, this is precisely the type of question which, in my humble judgment, is a matter for debate. I know the hon. member is sincere when he puts it and he thinks he is within the rules but, in my humble view, if the hon. member looks at his question again he will see that he is not. He might ask, why do you single me out today, and he would be right. As a matter of fact I dislike doing so, but it is simply because I have just made a few remarks and I note that the question he is asking at the moment is precisely one which could be debated whenever the circumstances arise where financial policies and other matters related to them can be debated.

The answer of the minister to that question is perhaps just a matter of opinion, a matter of policy and comment, and it may very well provoke several supplementary questions. We are not asking for information respecting certain facts which according to our rules may be used later in the debate. Instead we are trying to find out opinions which would have to be voiced immediately during the question period. That is not the purpose of the question period.

Inquiries of the Ministry

As I say, I am quite prepared to allow all the latitude possible during the question period, and I believe I have done that. I would like to hear anyone in this house tell me that I have not given all possible latitude at question time since the beginning of this session. However, I would ask hon. members not to take too much advantage of the latitude I am prepared to give, and within reason to make our question time as interesting and informative as possible.

EXTERNAL AFFAIRS

ISRAEL—REPORTED DEMAND BY EGYPT FOR IMPOSITION OF SANCTIONS

On the orders of the day:

Mr. Michael Starr (Ontario): Mr. Speaker, is there any truth in the report coming out of the United Nations that Egypt will demand that the United Nations vote economic sanctions against Israel, or face indefinite delay in opening the Suez canal? If so, what will be Canada's action toward the loan of $1 million for the clearing of the Suez canal?

Hon. L. B. Pearson (Secretary of State for External Affairs): We have no information to the effect that Egypt has taken the action suggested in my hon. friend's question. Therefore the second part of the question does not yet arise.

Mr. J. G. Diefenbaker (Leader of the Opposition): I would like to direct a question to the Secretary of State for External Affairs, as to whether or not the government has taken any stand in regard to the questions that will be up in the United Nations within the next few days on the imposition of sanctions against Israel. Would he give the assurance that in so far as the application of sanctions is concerned, until Russia absolves her wrongdoing in connection with Hungary and lives up to the resolutions of the United Nations, Canada will give consideration before supporting sanctions as against Israel?

Mr. Pearson: Mr. Speaker, my hon. friend said this question will be up at the United Nations assembly within the next few days. If he has information to that effect I must say it is not in my possession. There is no statement yet that this matter will be up in the form he has indicated; it may or it may not, depending on whether the government of Israel accepts the resolution of last Saturday regarding the withdrawal of Israeli forces from Sinai.

Until this matter is before the assembly—if indeed it comes before the assembly—I do not think it would be advisable for me to state the position of the government in regard

to it. The attitude the government would have to take—and it would have to give the matter very serious consideration—would depend upon the form in which the question was put to the United Nations. Until we are clear on that point surely I could not be expected to state the opinion or the policy of the government in this matter.

DISSEMINATION OF RUSSIAN PROPAGANDA LITERATURE IN CANADA

On the orders of the day:

Mr. G. W. McLeod (Okanagan-Revelstoke): Mr. Speaker, I would like to address a question to the Secretary of State for External Affairs. Would he tell this house if he will recommend to the government that it take action similar to that announced by the government of Jordan yesterday, according to a press clipping sent to him with notice of this question, to halt the dissemination of Russian propaganda and literature in Canada?

Hon. L. B. Pearson (Secretary of State for External Affairs): In reply to my hon. friend I can only state my opinion that the policy of the government of Canada in an important matter of this kind should not be determined by newspaper accounts of what is supposed to have happened in the state of Jordan.

[*Later:*]

Mr. McLeod: Mr. Speaker, I have a supplementary question for the Secretary of State for External Affairs, and I can assure you I am merely asking for information and not trying to stir up any debate. Is the Secretary of State for External Affairs prepared to recommend that the Canadian government take action to halt the dissemination of Russian propaganda and literature in Canada?

Mr. Pearson: Mr. Speaker, there are laws in this country which govern the dissemination of information through the mails. When those laws are broken the appropriate action is taken.

ISRAEL—STATEMENT ON CANCELLATION OF EXPORT PERMIT FOR JET AIRCRAFT

On the orders of the day:

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, yesterday the Leader of the Opposition asked me two questions concerning the timing of the suspension of the export permit covering the export of F-86 aircraft to Israel. Canadair, the permit holder, was advised by telephone on the afternoon of October 29 that this permit was being suspended. The action to suspend the export permit was taken within a few hours of the time it became known to the government that the Israeli army was moving in significant force into Egypt.

My hon. friend also asked whether the government of Israel was advised of the suspension of the permit. I believe my hon. friend the Secretary of State for External Affairs would know about that.

Mr. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, would the minister table the order setting aside the grant of the export permit? He undertook to do that yesterday, and I would appreciate it if he would see to it that it is done.

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, concerning the export of F-86 aircraft, my hon. friend the Minister of Trade and Commerce has mentioned one aspect of that question which was asked yesterday which he thought I might be able to answer. The Prime Minister made a public announcement on October 31 that the government had that morning suspended all arms shipments to the Middle East. In that statement he did not express judgment on the Israeli action in Egypt, but related the suspension to the government's earlier decision to keep the matter under continuing review in the light of the Middle East situation.

The public announcement of September 21, 1956, relating to the decision to grant the export permit contains a paragraph indicating the approval which reads as follows:

> This approval of Israel's request for 24 F-86's covers a period of six months, during which the planes would normally be made available and shipped. If at any time during this period political circumstances should change in a way which would warrant a cancellation or postponement of the outstanding part of this order, such action will be taken.

Such action was taken when the situation changed, and that suspension was brought to the attention of the government of Israel.

Mr. Diefenbaker: Mr. Speaker, why was not parliament told about the cancellation of the export permit? There was a general statement, but a debate took place in this house and nothing in particular was said about that matter. Why was that course followed? Possibly the minister could answer that.

Mr. Pearson: Mr. Speaker, it was public knowledge, of course—

Mr. Diefenbaker: No, it was not.

Mr. Pearson: —and the action the government took occurred before that debate took place in this house.

Mr. Diefenbaker: No, no.

UNEMPLOYMENT INSURANCE

ALLEGED VARIATIONS IN BENEFIT PAYMENTS TO RAILWAYMEN

On the orders of the day:

Mr. G. K. Fraser (Peterborough): Mr. Speaker, I would like to direct a question to the Minister of Labour. Has it been brought to the attention of the Minister of Labour that unemployment insurance payments to some men laid off during the last railway strike varied greatly although these men have the same status and the same wage scale?

Hon. Milton F. Gregg (Minister of Labour): Yes, Mr. Speaker, that has been brought to my attention. I am sure my hon. friend recognizes that, by the very nature of results related to the permissive earnings, there will be variation of benefit allowed for part of that group affected by the strike. If my hon. friend has some special complaints in mind I would be glad if he would send them to me.

Mr. Fraser (Peterborough): Mr. Speaker, these are from Mr. R. H. Symons, social chairman, brotherhood of railway carmen of America, lodge 258. I will send this over to the minister.

REPORTED DELAY IN ISSUING OF CHEQUES

On the orders of the day:

Mr. J. C. Van Horne (Restigouche-Madawaska): Mr. Speaker, I wish to ask a question of the Minister of Labour. In view of the minister's answer yesterday, which I could not understand because of the covering-up noises of the Liberals—

Some hon. Members: Question.

Mr. Van Horne: —to the effect that he did not know of the several weeks' delay occurring in the processing of thousands of unemployment insurance claims, will the minister tell us when he will get busy and do his job and remove the dagger held over the backs of the workingmen of Canada? The minister's do-nothing attitude is that of a saboteur of the rights of the workingmen of Canada, and I am not going to stand for it.

Mr. Speaker: I think the hon. gentleman should revise that language.

Mr. Van Horne: I have been revising enough things around here; I want some action.

Mr. Speaker: I am asking the hon. gentleman to revise the last part of his question.

Mr. Van Horne: How would you like to have it revised?

Inquiries of the Ministry

Mr. Speaker: Probably by eliminating the words to the effect that the attitude of the minister is that of a saboteur of the workers of this country.

Mr. Van Horne: To the thousands of people who are suffering all over this country I can assure you that this quotation of mine and these words need no retraction.

Some hon. Members: Order.

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I must rise on a point of order. I heard the word "saboteur" used. I am sure no one but the hon. member would apply it to the Minister of Labour in any event, but I do suggest it is out of order, unparliamentary, and not to be placed on the record.

Mr. Speaker: I would not want to have a discussion started on the exact words that have been used. I suggest that the matter be left in abeyance until I have had a chance to look at the transcript.

CITIZENSHIP AND IMMIGRATION

INDIAN AFFAIRS—PETITION OF ALBERTA INDIAN ASSOCIATION TO THE QUEEN

On the orders of the day:

Mr. Carl O. Nickle (Calgary South): Mr. Speaker, I would like to direct a question to the Minister of Justice. Has the Minister of Justice been consulted about the Alberta Indian Association's petition to the Queen? If so, when, and by whom?

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, I have been consulted by my colleagues in this regard, but it is not customary for me to disclose any facts I gave to them, or to identify those who have consulted me.

[*Later:*]

Mr. Nickle: Mr. Speaker, I should like to direct a supplementary question to the Minister of Justice. I can understand his reluctance to answer the first part of the question asked and say by whom he was consulted. Would he, however, answer the other part of the question and say when he was first consulted by his colleagues?

Mr. Garson: Mr. Speaker, I apprehend that the Minister of Justice is under no responsibility to give any legal advice to the House of Commons. His responsibility is to give legal advice to the government and to his colleagues who seek it. In due course that advice may be the foundation of government policy. Government policy is brought down in the house, and the government takes full responsibility for it. But as I apprehend it,

the Minister of Justice is under no responsibility to disclose any relations between himself and his colleagues in relation to that advice, as to when they consulted him, how they consulted him or any other such thing. For that reason I do not wish to answer my hon. friend's question.

Mr. Nickle: Mr. Speaker, may I ask a supplementary question. This does not concern his relations with the cabinet. Has the minister's advice been asked in connection with this Indian petition by any official at Government House? If so, when?

Mr. Garson: Mr. Speaker, in reply to my hon. friend's last question may I say this. I feel that not only is it proper to refuse to answer my hon. friend's question, but that it would be improper for me to do anything else. The relationship between the government and all the civil service in respect of any advice which is sought from the Minister of Justice is a relationship between solicitor and client, and I have no business disclosing any part of that relationship or any of the facts in connection with it in respect of the advice I give. When that advice is accepted by any official and it is passed on to his minister as the basis for government policy, the government, in the proper constitutional way, assumes full responsibility for that policy. Meanwhile, the information which my hon. friends seek is really not the proper concern of any member of this house, because it has to do with confidential relationships between solicitor and client.

Mr. Nickle: Mr. Speaker, I have another supplementary question to ask the Minister of Justice.

Mr. Speaker: Order. I recognize the hon. member for Mackenzie.

[*Later:*]

Mr. Nickle: Mr. Speaker, I would like to direct a supplementary question to the Minister of Justice. Since the minister has described the relationship of the Minister of Justice to his cabinet colleagues as that of legal counsel to client, does he not also consider that he is the legal counsel for the public of Canada; and in that latter capacity can he deny that an elected representative of the public of Canada in this house should have the right to ask him legitimate questions not concerning the nature of the advice he has given to his cabinet colleagues but rather simply as to whether or not he was consulted, and if so, when?

Mr. Garson: Mr. Speaker, I hope if I betray any lack of appreciation for the fine points of this long question which my hon. friend has asked me he will interrupt me and put me on the right track.

Mr. Knowles: He will.

Mr. Garson: In relation to the second part of his question, which I think is the germ of the matter, my understanding is that the Minister of Justice is the legal adviser of the government. He is not the legal adviser of the House of Commons—

Mr. Knowles: Hear, hear.

Mr. Garson: —and he is not the legal adviser of the people of Canada. If he were it would be rather hard on the poor lawyers, who pay a lot of taxes to the government out of which the salary of the Minister of Justice is paid, if he were competing with them and giving legal advice for nothing.

If my hon. friend had done me the courtesy of giving me notice of his question perhaps I could have meditated upon it and helped him out by giving an answer to the problem which seems to be bothering him.

Mr. Nickle: How about an answer now?

Mr. Garson: Yes. I was just going to say I have had an opportunity during the interval of figuring out a way in which I perhaps can answer my hon. friend's question without breaking any of the solemn obligations under which I operate as Minister of Justice. I can say this to the hon. member, that in the matter to which he refers there has been no advice given by the Department of Justice or the minister of that department to anyone except another member of the government. There will not be any advice given by the Department of Justice or the Minister of Justice to anyone except other members of the government. I think that will probably clear up this dark suspicion which is in my hon. friend's mind and which he has not disclosed completely to the house.

PUBLIC WORKS

CANSO CAUSEWAY—INQUIRY AS TO IMPOSITION OF TOLLS

On the orders of the day:

Mr. Clarence Gillis (Cape Breton South): May I address a question to the Minister of Transport. Can the minister inform the house whether the tolls in connection with the Canso causeway are imposed by the federal or the provincial government and, if they are imposed by the provincial government, whether the federal government shares in the revenue?

Hon. George C. Marler (Minister of Transport): The answer to the hon. gentleman's question is that it is the provincial government which imposes the tolls on the causeway, and it is the provincial government which receives the tolls.

PRIVILEGE

MR. KNOWLES—REFERENCE TO STATEMENT BY MINISTER OF TRADE AND COMMERCE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a question of privilege. On Thursday of last week, January 31, the Minister of Trade and Commerce, in answering questions regarding Trans-Canada Pipe Lines Limited, said, and I quote from page 826 of *Hansard*:

> We lifted no obligations and we set no new deadline.

The reference was to the December 31, 1956, deadline for the completion of the western section of the pipe line by Trans-Canada Pipe Lines Limited. Later in that same paragraph the minister said:

> No new agreement was made and no agreement was lifted.

That was on Thursday, January 31. I have in my hand a copy of sessional paper No. 178 tabled by the minister the day before, which includes an agreement made among the government, Trans-Canada Pipe Lines Limited and Northern Ontario Pipe Line Crown Corporation, dated January 30, 1957, containing therein an extension to November 1, 1957, for the completion of the western section of the line.

My question of privilege, Mr. Speaker, is that on Thursday, January 31, the minister made a statement to the house which, if the sessional paper tabled the day before is correct, was not correct when he made it.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, is my hon. friend referring to my agreement or to a ruling of the board of transport commissioners?

Mr. Knowles: I am referring to the agreement which the minister tabled on January 30, a three-way agreement among the minister on behalf of Her Majesty the Queen in the right of Canada, Trans-Canada Pipe Lines Limited and Northern Ontario Pipe Line Crown Corporation. This agreement includes this clause:

> Subject to delays due to *force majeure*, Trans-Canada shall complete the construction of the western section not later than November 1, 1957.

My question of privilege is that this new agreement dated January 30 was placed on the table of the house on January 30, yet the minister stood up in the house the next day and said the December 31 deadline had not been lifted and that no new agreement had been entered into. I contend, therefore, that on January 31 the minister misled the house.

Mr. Howe (Port Arthur): Mr. Speaker, the time for the completion of proof of financing of the project was extended. I do not regard that as an agreement. It was simply a unilateral act on the part of the government.

Mr. Knowles: Does the minister not realize that he tabled an order in council—

Some hon. Members: Order.

Mr. Knowles: —P.C. 1957-122, which refers to an annexed agreement, and that that three-party agreement does include a very definite undertaking on the part of the three parties to the agreement. It was not just a word of mouth proposition. It was a very definite, binding agreement. I hope it is more binding than some of the agreements that have been entered into by Trans-Canada Pipe Lines Limited in the past.

Mr. Howe (Port Arthur): There may be a technical violation. I have heard of technical knock-outs. Perhaps my hon. friend has one. Certainly there is nothing in that agreement affecting the guarantees of Trans-Canada with respect to the agreement with the government to build the western section of the pipe line. That was an extension of the time to prove the ability to finance the whole project.

Mr. Knowles: I realize this cannot be debated. The agreement speaks for itself. What I was referring to in this new agreement—

Some hon. Members: Order.

Mr. Knowles: —was not the extension of the time in which to prove financial capacity. What I was touching upon was the new agreement—

Some hon. Members: Order.

Mr. Knowles: —as to a new deadline for the completion of the western section. Mr. Speaker, may I ask the Minister of Trade and Commerce a supplementary question—

Some hon. Members: Order.

An hon. Member: Keep the seals quiet.

Mr. Dickey: Supplementary to your speech?

Mr. Knowles: In view of the provision in the agreement of May 8, 1956, that the government would support Trans-Canada's further application before the board of transport commissioners if Trans-Canada was not in default under that agreement, how does the

government justify its support of Trans-Canada's application when it was at the time in default by not having completed the western section by December 31, 1956?

Mr. Howe (Port Arthur): Mr. Speaker, the extensions referred to were extensions of the time to prove ability to finance. Whether Trans-Canada had carried out its agreement with the government with respect to the extent of the pipe line that was laid in place as contracted is a separate matter that could always be brought before the courts, and would have been brought before the courts had the government wished to take over that section of the line.

The proof of ability to finance is one matter and the extension of time to be given for completion of the western section is quite separate. My hon. friend may not know it, but he is badly mixed up between the agreement to build the western section of the line and the time limit set for proving ability to finance the line. In any case he can know that the line will be built and is being built and that it will be completed, we expect, by the autumn of next year. It seems to me that consideration overrides any petty little points of debate.

Mr. Knowles: Mr. Speaker, may I ask the minister a supplementary question. From what the minister says are we to take it that if this government across the way signs an agreement with two points in it, one of them can be ignored, and so far as the government is concerned it does not care?

Some hon. Members: Oh, oh.

Mr. Knowles: Is it just a petty point if the government finds that one point in an agreement is ignored?

Mr. Howe (Port Arthur): Mr. Speaker, that is only about the 82nd point of order that my hon. friend has raised, and it has the same validity as his other points of order.

GRAIN

WHEAT—INQUIRY AS TO EXPORTS TO COMMUNIST COUNTRIES

On the orders of the day:

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. As a result of the recent visit of wheat board officials to Russia and iron curtain countries, have any sales of wheat or other grains been made? Does the minister expect that as large a volume of grain will move to these countries this year as last?

[Mr. Knowles.]

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, it has always been the practice of the Minister of Trade and Commerce not to discuss sales of wheat in the house. He is willing to discuss exports after the exports have taken place, but he never discusses sales. With regard to movements to iron curtain countries, may I say that we have a trade agreement with Russia which provides that a minimum of 15 million bushels of wheat per annum will be taken by that country. Negotiations are in progress with other countries but, as I said, we do not discuss negotiations for sale and we do not discuss sales.

PIPE LINES

TRANS-CANADA PIPE LINES—CONTRACT WITH SASKATCHEWAN POWER CORPORATION

On the orders of the day:

Mr. Claude Ellis (Regina City): Mr. Speaker, I should like to address a question to the Minister of Trade and Commerce. Was the minister aware yesterday, when he replied to a question regarding the natural gas situation in Saskatchewan, that an agreement between Trans-Canada Pipe Lines Limited and the Saskatchewan Power Corporation is in effect completed with only a few minor details to settle before final signature?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I was not aware of that fact. My understanding is that my hon. friend is not saying the agreement is completed. He says that an agreement is in process of negotiation, and I am glad to hear it.

Mr. Ellis: At page 1014 of *Hansard* of yesterday the Minister of Trade and Commerce said:

> I may say, in reply to the second question, that to my knowledge Trans-Canada Pipe Lines Limited has been trying to make a contract to supply gas to Saskatchewan municipalities with the Saskatchewan Power Corporation for some months but entirely without success.

In view of that statement made to the house yesterday, might I suggest to the Minister of Trade and Commerce that he apologize for misleading this house and casting an unwarranted slur on the reputation of the Saskatchewan Power Corporation.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, have we not had sufficient of these charges of attempting to mislead the house? I do not like it, and I do not like to make such insinuations myself. The hon. gentleman suggests that in the answer given by the Minister of Trade and Commerce he was attempting to mislead the house.

Mr. Murphy (Lambton West): It would not be the first time.

Mr. Hees: He does it all the time.

Mr. St. Laurent (Quebec East): I think these interjections should be withdrawn, Mr. Speaker. You said yesterday this was unparliamentary language and you hoped it would not be used, but that you hesitated to intervene. I would suggest to you there should be intervention and those continuous statements should not be allowed to go on the record. I have not been used to hearing these things in other sessions that were looked upon as being sessions approaching a general election.

Mr. J. G. Diefenbaker (Leader of the Opposition): I rise to answer the Prime Minister. If there have been petulant exhibitions and outbursts the Prime Minister and those associated with him should realize the reason is that each of the ministers of the government apparently is following the course of refusing to answer questions properly, or indeed of colouring the information given, tailored to meet their immediate needs.

Mr. M. J. Coldwell (Rosetown-Biggar): May I say yesterday a question was asked in this house intended deliberately to mislead this house. I refer to the question regarding the gas situation in the province of Saskatchewan. There was no basis for that question.

Mr. McIlraith: Oh, yes, there was.

Mr. Coldwell: We all know that an agreement has been under negotiation. We also know from the minister himself that this line is not to be completed for months. Can you expect a provincial government to enter into an agreement with a company which has not yet proved itself financially able to build the line through which the gas would be delivered to the Saskatchewan corporation.

I say the question asked in the house yesterday by the hon. member for Moose Jaw-Lake Centre (Mr. Thatcher) was a deliberate attempt to mislead the house and the people of this country. I say to you that it ill becomes someone who was elected here by the people he vilifies to do this kind of thing in this House of Commons.

Mr. Howe (Port Arthur): Mr. Speaker, the gas pipe line has been completed to the city of Regina and is capable of delivering gas in the area of Regina and west of Regina at any time anybody wishes to take delivery. I was not aware that negotiations for supplies of gas had been under way. The last information I had was from the general manager of the—

Mr. Ellis: Get more reliable sources of information.

Mr. Howe (Port Arthur): I am speaking of my source of information. My source was the general manager of the Saskatchewan Power Corporation. In the course of a conversation he told me the province would never sign the type of contract which had been presented to it by Trans-Canada Pipe Lines. That was the last I heard of the matter.

Mr. Ellis: When did you last have contact with him?

Mr. Howe (Port Arthur): Three or four months ago.

Mr. Coldwell: Do you suggest the government must sign a contract presented to it by a private company?

Mr. Howe (Port Arthur): No. One hon. member has said that the parties are attempting to negotiate and another has said the parties have completed the agreement. Let it rest there.

HOUSE OF COMMONS

STATEMENT BY MR. SPEAKER ON ASKING OF QUESTIONS

On the orders of the day:

Mr. Speaker: May I suggest to hon. members, for the good of all of us and I suppose for the good of parliament, that we should refrain at question time from engaging in debate. I have on previous occasions outlined the rules with respect to the asking of questions, and also with respect to the answering of questions. The minute we go beyond the reasonable limits of those rules and engage in debating certain questions and answers, well, what happens is that the atmosphere gets heated up and we have all kinds of interjections going across the floor of the house, because at this moment members are not entitled to make lengthy speeches to express themselves. They try to concentrate in a few sentences what they would like to say perhaps in 40 minutes. Therefore you have these capsule, concentrated expressions which really do not add any advantage to the house or to the members who express them.

I would ask hon. members within reasonable limits to keep within the rules. They know what they are; I am sure they do. Whether they want to follow them as they are is a different proposition. As far as I am concerned, once the question is put—first I have to listen to it—I look to the person to whom the question is addressed and in 99 per cent of the cases he is on his feet to reply.

Inquiries of the Ministry

My position with respect to question time is this. As long as it is the wish of many hon. members in the house to ask questions in which they include a great deal of debatable material and if it is the wish of those who reply, probably because of the type of question they get, to include in their answers a lot of debatable material, it is not to be expected that the person who put the question originally is not going to ask a supplementary question to get back precisely at the type of debatable material which was in the answer. Therefore it is a vicious circle, and it is enough to make anyone dizzy, especially the Speaker.

HARBOURS

THREE RIVERS—REQUEST FOR REPAIR AND EXPANSION

On the orders of the day:

Mr. Leon Balcer (Three Rivers): Mr. Speaker, I should like to direct a question to the Minister of Transport. Is it the intention of the minister's department or of the St. Lawrence seaway authority to start this spring long delayed amelioration and expansion work in the Three Rivers harbour?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, when the estimates of the national harbours board are before this house—

Mr. Dufresne: There won't be any estimates.

Mr. Marler: —the hon. gentleman will have complete information with respect to this request.

COAL

INQUIRY AS TO RESEARCH INTO NEW USES

On the orders of the day:

Mr. F. D. Shaw (Red Deer): Mr. Speaker, I should like to direct a question to the Minister of Mines and Technical Surveys. In view of recent press reports indicating a further substantial decline in the production of coal in certain sections of Canada, will the minister at an early date bring the house up to date on the progress which has been made in research respecting the utilization of coal for other than normal uses?

Hon. George Prudham (Minister of Mines and Technical Surveys): Yes, at the first opportunity.

HOUSING

REPORTED REDUCTION IN LOANS—EFFECT OF INCREASE IN INTEREST RATE

On the orders of the day:

Mr. H. A. Bryson (Humboldt-Melfort): Mr. Speaker, may I direct a question to the Minister of Public Works. Would the minister comment on a recent statement made in Vancouver by the president of the Royal Bank to the effect that housing loans have been reduced to a trickle?

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, I had not seen this report until my hon. friend sent it over to me a few moments ago. I think there is very little to add to what has been said already in the house. We recently took a step designed to put housing in a position to compete for a fair share of the mortgage money available in the market, and I have every reason to believe that step will meet with success.

Mr. G. R. Pearkes (Esquimalt-Saanich): May I ask a supplementary question. Is the minister aware that instructions have been issued to reduce the staff of Central Mortgage and Housing Corporation at Victoria, the reason given being that there is a reduction in the number of applications for loans?

Mr. Winters: Central Mortgage and Housing Corporation is always looking for ways and means to effect economies, and this is one way.

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, I should like to direct a supplementary question to the Minister of Public Works. Would the minister have an immediate review made into the effect of the monetary and fiscal policy of increased interest rates and tight money policy of this government on the building industry of this country? If such a review is being carried on, as apparently is the custom of this government, when can we have the findings?

Mr. Winters: As the hon. member has stated, it is true that these matters are always under review. When steps are taken which reflect themselves in new policies, those are conveyed to the house in the usual manner.

Mr. A. W. Stuart (Charlotte): May I direct a question to the Minister of Public Works. Have any hon. members of the opposition parties requested the minister to stop the building of any projects in their respective ridings in order to make more building materials available for housing?

Mr. Winters: Quite the contrary. I am looking at a considerable number of hon. members opposite who have asked to have new construction projects undertaken in their constituencies.

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, may I direct a question to the Minister of Public Works. Did the minister note a report in the *Globe and Mail* of yesterday to the effect that while residential construction is dropping off there is an

increase in industrial construction? What measures is the government taking to reverse this trend?

Mr. Winters: The answer to the first question is no, I have not seen the report. The answer to the second question, I think, is made clear by the steps we have taken to put housing in position to compete for a fair share of the mortgage money available.

I may tell my hon. friend that it is not part of government policy to compete with private enterprise. We think that to the greatest possible extent private enterprise should have an opportunity to do those things which add to the strength of the country's economy. However, having in mind the importance we in this party have always attached to housing we have taken steps from time to time to make the position of housing competitive.

Mr. Claude Ellis (Regina City): Mr. Speaker, in the event the minister's optimistic predictions are not correct and there is a continued decline in home construction, will the government undertake to provide through legislation some method of maintaining home construction throughout the country?

Mr. Winters: We shall cross that bridge if we reach it.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like to address a question to the Prime Minister. In view of the answers the Minister of Public Works has just given about competition for investment money, does the Prime Minister expect that those who need houses are going to be able to compete on anything like equal terms with big business for the available investment funds under the present arrangement?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, the expression "big business" is rather vague. Business that used to be big when I had more frequent relations with business has now been so far surpassed by other enterprises that I would not like to attempt to give a definition of just what is big business. I would be surprised if 6 per cent for mortgage money with insurance that amounts to a government guarantee would not be competitive with the rates that big business is paying on the securities being issued at this time.

Mr. Roland Michener (St. Paul's): Mr. Speaker, referring to the expression used by the Minister of Public Works with reference to crossing bridges, may I ask if the minister has seen the figures indicating the decline in house construction contracts for the month of January, 1957, as compared with January, 1956? Does he not consider that a drop from $95 million to $21 million indicates at least a lack of a connecting link if not a bridge?

IMMIGRATION

HUNGARIAN REFUGEES—REPORTED RELUCTANCE TO SETTLE IN SASKATCHEWAN

On the orders of the day:

Mr. J. H. Harrison (Meadow Lake): Mr. Speaker, I should like to direct a question to the Acting Minister of Citizenship and Immigration which he may take as notice. A recent press report indicates that J. O. Probe of Saskatchewan has stated that 100 of the proposed immigrants from Hungary are refusing to settle in the province of Saskatchewan. Is that due to the fact that they have a general antipathy for socialism, and therefore object to settling in a province with that type of government?

Mr. Colin Cameron (Nanaimo): Mr. Speaker, I rise on a point of order to suggest with all respect to yourself that you should apply the rules as rigorously to government members as you applied them to me a short time ago.

HUNGARIAN REFUGEES—PROVISION OF COMFORT ALLOWANCES

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, in the absence of the Minister of Citizenship and Immigration I would like to ask the acting minister if he is now in a position to reply to my question of February 1, regarding the telegram forwarded to the minister by the chairman of the Abbotsford and district citizenship council relative to comfort allowances for Hungarian refugees housed in temporary quarters in that area.

Hon. W. E. Harris (Acting Minister of Citizenship and Immigration): I will try to reply to that question tomorrow, Mr. Speaker.

INTERNATIONAL TRADE FAIR

MONTREAL—PARTICIPATION BY FEDERAL GOVERNMENT

On the orders of the day:

Mr. W. M. Hamilton (Notre Dame de Grace): Mr. Speaker, may I ask the Minister of Trade and Commerce if he is now in position to state definitely whether the government will or will not participate in the international trade fair to be held in Montreal this year?

Right Hon. C. D. Howe (Minister of Trade and Commerce): The only information I can give at this moment is that the government will not participate. If there is in future any change in the situation I shall be glad to announce it in the house.

Inquiries of the Ministry

HIGHWAYS

ALASKA HIGHWAY—POSSIBLE PAVING AND STATUS OF MAINTENANCE PERSONNEL

On the orders of the day:

Mr. B. R. Leboe (Cariboo): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Will the minister inform the house if the government has decided on a policy in respect to any arrangements with the province of British Columbia which will facilitate the paving of at least the portion of the Alaska highway between Dawson Creek and Charlie Lake?

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, no arrangements have been made with the provincial government of British Columbia, nor are any discussions with the government of British Columbia being carried on with my department in that connection that I know of.

Mr. Leboe: A supplementary question. Are the men used on road maintenance work on the Alaska highway considered to be in training?

Mr. Campney: The engineering staff is in training, operating the highway and maintaining it, but most of the people working in that area are civilians engaged by the engineers to do the work required from time to time.

LIVESTOCK

REFERENCE TO INQUIRY INTO METHODS OF SLAUGHTER

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, may I address a completely innocent and proper question to the Acting Minister of Agriculture. In view of the statement made by the Minister of Agriculture on July 13 of last year in this house that the officials of his department were examining methods of humane slaughter in other countries before the government would come to a decision as to its policy in this matter, can the minister inform me if the government is going to do anything about the question of humane slaughter before the general election?

Hon. Robert H. Winters (Acting Minister of Agriculture): Mr. Speaker, I will discuss this matter with the officials of the department and see what sort of answer should be given to that question.

CANADIAN WHEAT BOARD ACT

AMENDMENT TO EXTEND EXPIRY DATE

The house resumed, from Wednesday, February 6, consideration of the motion of Mr. Howe (Port Arthur) for the second reading of Bill No. 9, to amend the Canadian Wheat Board Act.

[Mr. Howe (Port Arthur).]

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, the subject matter before the house this afternoon is the operation of the Canadian wheat board and the extension of the Canadian Wheat Board Act for the next five years. I may say there has been great misapprehension on the part of the Canadian people and, I believe, on the part of some members of this house with respect to the operations of this board.

I would like to say, first of all, that we of the C.C.F. party have endorsed this method of orderly marketing Canadian wheat over the years, and we support the proposed extension of this act for another five years. We do feel, however, that it would add to the significance of the government's support of this method of operating, and of selling Canadian wheat, if the minister could see fit to bring in a bill which would make the act permanent. We feel that the support of the western farmers and farm organizations is such that they are now completely sold on this method of marketing through the Canadian wheat board, and would support any action taken to make this legislation permanent.

As I said earlier, Mr. Speaker, there is misapprehension with regard to this method of marketing wheat, and with regard to the fact that all the operations of the Canadian wheat board are paid for by the farmers themselves. The farmer pays the marketing charges; he pays for country storage and terminal storage; he pays the cost of the wheat board's operations and also the interest charged by the banks for the money used. In addition the farmers pay, out of the proceeds of their sales, for the grading of that wheat, for drying charges, and for all administrative costs. Thus, Mr. Speaker, I wanted it clearly understood at the outset by all hon. members who do not understand the operations of the board that the farmer pays for the Canadian wheat board; he pays the cost of this method of selling his wheat.

I think, sir, it would be well if I were to make a brief review of the history of the Canadian wheat board, because some hon. members may have the impression—and sometimes the impression has been created in the country—that the mint has been used excessively to subsidize Canadian wheat producers. That is completely erroneous. In 1935, when the Canadian wheat board was set up, a farmer had the choice of selling his wheat through the wheat board or on the open market. Ever since the early years when the Winnipeg grain exchange gambled

on the wheat crop, the farmers and their organizations had been trying to encourage the government to institute another form of marketing. The consequences of the old method of operation were that the western farmer often got a low price for his product. So from 1935 onward the farmers generally supported the Canadian wheat board and operated through that agency.

It was not until September of 1943, Mr. Speaker, that the wheat board became the sole marketing agency for western wheat, and it is somewhat significant to note that the price of wheat went up on the date the federal Liberal government decided, not by legislation but by order in council, to put all Canadian wheat marketing under the sole agency of the Canadian wheat board. As of that date wheat on the grain exchange had jumped the maximum of 14 cents, and they stepped in by order in council and put all Canadian wheat under the control of the wheat board.

That was the situation until 1948 when, of course, oats and barley were also brought within the sphere of the board's operations. We in this group support the organization and, as I have indicated, farmers throughout the country support the work the Canadian wheat board is doing. We have never at any time tried to indicate or promote measures which might in any way jeopardize this method of marketing. However, we do feel that the western farmer is caught in a cost-price squeeze.

Some days ago the hon. member for Moose Jaw-Lake Centre tried to indicate that we in this group had been misrepresenting the situation of the western farmer. I do not think, myself, that when the Minister of Trade and Commerce, who is in his seat at the present time, comes into this house and makes a statement about being out in Saskatchewan and driving with a farmer who owns a Cadillac, this should be taken as an indication that all western farmers are driving Cadillacs. Nor when we find the Minister of Agriculture saying that the only farmer in western Canada whom he found to be hard up was one who had to sell his airplane, should we take such stories too seriously. These are gross exaggerations of the present position of the western farmers and I daresay there are few if any farmers in western Canada such as those two gentlemen alluded to.

I think, Mr. Speaker, it would be more appropriate if instead of listening to such statements we were to listen to statements made by people who have the interests of the farmers at heart, and which perhaps deal with the situation of the western farmer more fairly.

I should like to refer to certain statements of Mr. Wesson, head of the Saskatchewan wheat pool. In the *Western Producer* of January 17 there is the following:

> In point of fact the squeeze is becoming daily more pronounced as the differential between what the farmer sells and the goods he has to buy continues with every passing month to widen. Mr. Wesson, who is not noted for exaggerated or irresponsible statements in such matters, says flatly: "The continued high cost of things needed to operate a farm and to maintain the farm family is putting the farmer in an impossible position."

In my opinion this is conclusive evidence that the very reputable head of the Saskatchewan wheat pool has put forward the situation facing the western farmer concisely and definitely. I should also like to say that those of us in this group have tried to indicate that the prices of wheat and the other things the farmer has to sell have been going down generally since the war years and the cost of the things he has to buy has been going up, placing him in a cost-price squeeze.

In that regard it is interesting to note that during the period from 1930 to 1939 the farmers received 6.1 per cent of the national income. During the period from 1946 to 1954 inclusive the farmers' share of the national income dropped until they were only getting 5.6 per cent, even less than the average in the depression years of the thirties. Therefore it is obvious that today the western Canada farmer is in a cost-price squeeze.

I believe that the government has used the Canadian wheat board as a means to stabilize price levels in Canada and perhaps in some measure to stop inflation. I do not mean to say that the western farmer does not agree with this method of marketing but I should like to point out that the farmer took a lower price for his wheat during the war years and also during the four year period of the British wheat agreement under which Canada sold to Britain in the first two years 160 million bushels of wheat and 140 million bushels in the second two years at a price of $1.55 a bushel when on the world market the farmer could have got a much higher price.

In other words, during the war years and since the farmers have held the price line against inflation. It is also true that in the war years the farmer not only subsidized Canadian consumers by taking $1.25 a bushel for the 60 million to 70 million bushels of wheat consumed in Canada in the form of bread and flour but also as a taxpayer paid his share of the subsidy of 78 cents a bushel paid to millers during that period. Rather than the farmer crying for hand-outs, as the hon. member for Moose Jaw-Lake Centre (Mr. Thatcher) said on Friday last, rather than it being a case of those of us in this group

crying for hand-outs on behalf of the farmer, all that the farmer wants is economic justice.

It seems to me that something can be done about this problem. We have suggested that farmers should have parity prices. It seems ridiculous to me that consumers should have to take a trimming in buying a loaf of bread having in mind the price that the farmer is getting for his wheat. I noticed the other day that bread went up another cent a loaf in the city of Ottawa but the farmer is getting the same price for his wheat as he got ten years ago. As a matter of fact, there is only 3 cents' worth of bread flour in a 20 ounce loaf of bread for which the consumer today has to pay over 20 cents a loaf.

The farmer has not been getting a fair or equitable deal with respect to the prices of his wheat and the other commodities he sells. The Canadian wheat board is a good idea but that is no reason why we cannot make it a better organization. That is no reason why the government cannot undertake policies such as we have advocated which will receive the full support of the western farmer. I say that if the government refuses to do so and tries to fetter the Canadian wheat board so that it will not be a satisfactory marketing agency for western wheat there is no single thing which will do more to lessen the support of the western farmer for the wheat board.

We in this group have made certain recommendations and I will deal with them in a minute. First, I want to refer to exports of Canadian wheat. I think this is a serious matter. We have the finest wheat in the world but our sales have deteriorated and we have not got our share of the world market. In my opinion that is a serious matter for everybody in Canada, including consumers. Last evening the hon. member for Provencher (Mr. Jutras) endeavoured to deal with Canada's percentage of wheat sales. As found at page 1037 of *Hansard*, he said:

> Actually we are in no worse position today than we were in the years since the end of the war.

That is not a very satisfactory thing to have to say in the house. I think we should be trying to undertake policies which would result in our being in a more favourable position. Taking the figures found in the report of the Canadian wheat board for the crop year 1955-56, I find that in the 1945-46 crop year Canada exported 373 million bushels of wheat, or 43 per cent of the world export trade. In 1953-54 we exported only 278 million bushels or only 32 per cent of the world export trade. Still dealing with those two years I find that in 1945-46 total world exports amounted to 868 million bushels whereas in 1953-54 they amounted to 869 million bushels, a variation of only one million in world exports of wheat. Yet our export trade has dropped from 43 per cent to 32 per cent. Surely that is something that should concern the government when, as I say, we have the finest wheat in the world to sell.

With a group of members of the house I went to Washington two years ago and found that the greatest part of the large stocks of wheat in store under the commodity credit corporation in that country consisted of inferior, low grade wheat. We were told that much of the wheat was not fit for milling and would only be milled if there was a real scarcity of better milling wheat.

Many people have talked loosely about the method of disposal of the United States wheat crop. I recall seeing a news report last winter when the Minister of Fisheries (Mr. Sinclair) was in the constituency of Assiniboia. He was reported as having said that our suggestion that we should enter into the same kind of deals and contracts as the United States government was silly. I think the capitalist government of the United States is a pretty hard-headed type of capitalist government and I do not think they are following any methods in the disposal of their wheat which are not in the interests of the farmer and in the interests of the United States. Their policy for the disposal of wheat is not simply a give-away program. I should like to refer to public law 480 of the United States and, incidentally, there are three different methods for the disposal of wheat under that law.

For example, under Title I of Public Law 480, as recorded here in the Canadian wheat board report we find the following:

> . . . surplus agricultural commodities may be sold for the currency of the importing country and the funds so acquired are utilized for market development, purchase of strategic materials, military procurement, purchase of goods for other countries, grants for multilateral trade and economic development, loans for economic development within the recipient country and international educational exchange.

It seems to me that in that type of deal there is much merit. Then, of course, under the disposal plan, Title II, we find the following:

> Under this law surplus agricultural commodities may be donated to relieve famine and disaster to any nation friendly to the United States, or to friendly, needy populations without regard to the friendliness of their government.

Again it seems that these are worthy types of deals to enter into when any country has a surplus rather than have them spoil as they did in the thirties and I think they should receive the support of those who have the needs and the welfare of people at heart.

Mr. Thatcher: We are not letting the surpluses spoil. We are selling for cash.

Mr. McCullough (Moose Mountain): You are just not selling. That has been the situation in the past.

Mr. Thatcher: We are selling for cash.

Mr. McCullough (Moose Mountain): I have indicated we have lost our percentage of world sales.

Mr. Thatcher: We have not lost our percentage of sales. You are including what the Americans gave away.

Mr. McCullough (Moose Mountain): I am going to deal with that matter in a moment after I have dealt with this one.

Under Title III we find this:

> Under this law surplus agricultural commodities may be exchanged for strategic materials entailing less risk of loss through deterioration or substantially less storage charges; . . .

I think all these types of deals are to be commended. It concludes by saying under Title III as follows:

> During the crop year 1955-56 barter programs played an important part in United States grain exports.

When hon. members try to mislead the public by saying that the United States wheat disposal programs are all give-away programs, I think that such a statement cannot be substantiated.

An hon. Member: They are heavily subsidized.

Mr. McCullough (Moose Mountain): Those of us in this group have advocated certain things which should be undertaken by this federal government. I am going to say this. I do not feel that it is fair for the Minister of Trade and Commerce (Mr. Howe) or the Minister of Agriculture (Mr. Gardiner) to hide behind the skirts of the Canadian wheat board. We know that the Canadian wheat board follows out the policy of this government. What we are advocating is that there can be complementary programs which will assist the Canadian wheat board to sell and to dispose of more wheat. These are the things that we have tried to advocate. I have here a list of eight things which I would recommend:

(1) That the Canadian Wheat Board Act should become permanent legislation; (2) that flax and rye should be included under the Canadian wheat board; (3) fair distribution of box cars; (4) cash advances; (5) farm storage payments; (6) parity prices for wheat; (7) ever-normal granary principle undertaken; (8) barter deals, acceptance of local currency and assistance to hungry, undeveloped and underprivileged people. As I say these are policies designed to complement present policy and to help the Canadian wheat board, not to hurt it.

Mr. Thatcher: But none of them would sell any wheat.

Mr. McCullough (Moose Mountain): The hon. member for Moose Jaw-Lake Centre last Friday, Mr. Speaker, made what I consider to be a number of untenable statements. First, as reported at 914 of *Hansard*, he said, that the socialists from Saskatchewan usually lack the courage to come out and directly attack the wheat board. I think the hon. member for Moose Jaw-Lake Centre should be an authority on courage or the lack of it. First I want to say that it is well known in this house that the hon. member, after he defected from the C.C.F. party, sat as an independent to our left here. I do not know whether that was because he did not have the political maturity that he is now claiming in order to decide which way he was going to go. But after sitting as an independent for some months, he put up a political kite in the constituency of Moose Jaw in the general provincial election. He backed the independent candidate there, Mr. Speaker, who was an extremely popular man; and when that man was not elected, of course his political maturity took him to another place. During this time, of course, reports have it that advances were made by the Social Credit party and that there was a berth there for him. Again he could not make up his mind and so we find this hon. member, who last Friday had this to say in the house, now finally rests in the Liberal party, at least temporarily. I say this, Mr. Speaker, simply because this hon. member saw fit not only to sell my province short, in the words he used last Friday, but also my constituency. I feel I must answer him and some of the untenable statements he made at that time.

The speeches made by the hon. member, of course, over the years would probably show that either he had no political maturity then or there may have been some other reason.

Mr. Thatcher: He may have smartened up a bit.

Mr. McCullough (Moose Mountain): I just want to say this. I do not want to question the hon. member and his integrity at all but I should say that there are many people who perhaps would do so and that his vacillating political maturity perhaps—

Mr. Thatcher: I never vacillated. That is why I could not get along with the C.C.F.

Mr. Studer: He had some brains.

Mr. Blackmore: Why did you join them in the first place?

Mr. Thatcher: I wish I knew.

An hon. Member: It was the only way to get elected.

Mr. McCullough (Moose Mountain): The people will have to judge. It is interesting to remember that the hon. member was elected to this house in 1953 as a C.C.F. candidate. In seeking the nomination he made the following statement—I want to quote the hon. member because I want to be fair to him. I think he needs a great deal of fairness in this matter. He is quoted in the Moose Jaw *Times-Herald* of October 22, 1953 as follows—"When I joined the C.C.F. party originally,"—

Mr. Thatcher: Five years ago.

Mr. Deputy Speaker: Order. I took the chair just a few moments ago but since I took it I have been wondering whether we were discussing an hon. member of this house or second reading of the wheat board bill. I wonder whether the hon. member would confine himself to the bill?

Mr. Thatcher: Let him go on.

Mr. McCullough (Moose Mountain): With all respect to your ruling, Mr. Speaker, I intend to do so. But I should call your attention to the debate which took place in this house on Friday last as reported at page 914 of *Hansard*. The hon. member then made reference to certain crown companies and he attributed to us certain statements which I say are completely untenable and which he made in an effort to make it appear that we had in some way attacked the Canadian wheat board. I want to try to indicate to this house that anything we said in respect to that matter—

Mr. Deputy Speaker: Order. I was not in the chair when the events to which the hon. member refers took place. As I say, I just took the chair a few moments ago and it was impossible for me to recognize that we were on a debate on second reading of this wheat board bill. I must ask the hon. member, under the circumstances, to confine himself now to a discussion of the principle of the bill.

Mr. Nicholson: On the point of order which you have raised, Mr. Speaker, may I say this. While the hon. member for Moose Jaw-Lake Centre was speaking on Friday last I raised the question of whether the Saskatchewan crown corporations was a proper subject to be discussed in this debate. The occupant of the chair at that time gave permission to the hon. member for Moose Jaw-Lake Centre to proceed and the understanding was that, in due course, members of this party should be permitted to go as far afield as the hon. member for Moose Jaw-Lake Centre went on Friday. I suggest to Your Honour that you examine the words of the occupant of the chair on Friday and compare the remarks of the hon. member for Moose Jaw-Lake Centre (Mr. Thatcher) with the general line that has been followed by the hon. member for Moose Mountain.

Mr. Deputy Speaker: I shall most certainly examine the record for last Friday, but at the present moment I am bound by the rules of the house. As I say, I could recognize on my entry to the house no relevancy whatsoever in the remarks which the hon. member was making in connection with this bill. Therefore, I am forced to ask him at this time to confine his remarks to the principle of the bill.

Mr. Thatcher: Mr. Speaker, on a point of order, what the hon. member for Mackenzie said was correct. I would hope that you would find it possible to let the hon. member for Moose Mountain reply to my remarks on these crown corporations. I did make certain charges; I think they were correct. If there is an answer, I would like to hear it; but of course, that matter is in your hands.

Mr. Deputy Speaker: It is impossible for me at the present time to agree to such an extension of the debate. That could be done only with unanimous consent, and unless there is unanimous consent, I must apply the rules of relevancy which would certainly militate against the type of debate such as the hon. member is now conducting.

I understood him to say that he was going to quote from certain remarks made by the hon. member last Friday. I do not think I could disallow that but, if I recall correctly, he commenced to quote from some newspaper article of some years ago. That, in my opinion, would not be relevant to this debate.

Mr. McCullough (Moose Mountain): Mr. Speaker, with all due deference to your ruling, I should point out to you that on Friday last, when the Acting Speaker (Mr. Applewhaite) was in the chair, this question was brought up by the hon. member for Mackenzie. He said that if the hon. member for Moose Jaw-Lake Centre was to continue —and, of course, I think he was digressing from the debate—it would only be fair to permit us to answer him, and on that occasion the Acting Speaker permitted the hon. member for Moose Jaw-Lake Centre to continue. He did so, and dealt with the crown corporations of the province of Saskatchewan. I maintain that he placed untenable statements on the record at that time and I should like to reply to them. The hon. member also tried to indicate to the house

that the statements of us in this group could not be taken very seriously in respect of what we advocate in connection with the Canadian wheat board simply because he associated with our remarks in this house the fact that we had not been successful in the province of Saskatchewan in operating crown corporations. He therefore drew the conclusion that anything we advocated with respect to the Canadian wheat board would be improper.

What I was quoting from, Mr. Speaker, appeared in the October 23, 1952, issue of the Moose Jaw *Times-Herald*. This is what the hon. member is reported to have said:

When I joined the C.C.F. party—

Mr. Thatcher: I learned a lot since then.

Mr. McCullough (Moose Mountain): I should just like to quote this for the record:

When I joined the C.C.F. party originally I did so—

Mr. Deputy Speaker: Order. There seems to be a private altercation going on between two hon. members of the house when we should be discussing the wheat board bill. Will the hon. member kindly resume his seat.

I have now before me the ruling of the Acting Speaker last Friday. It reads in part as follows:

I have no intention of permitting the hon. member for Moose Jaw-Lake Centre to go farther than to make the same type of reference or listing of what he considers comparable matters as has been done in previous speeches made in this debate.

Now, I do not think that that quite agrees with the interpretation of the ruling put upon it by the hon. member for Mackenzie. As I say, I am in some difficulty because I was not present in the house when the debate took place last Friday, but it appears to me that the hon. member is going far beyond what we recognize as relevancy, and I must ask him to confine himself to the principle of the bill.

Mr. McCullough (Moose Mountain): I am going to accept your ruling, Mr. Speaker, but I wish to say that I feel there is quite an injustice being done when an hon. member can rise in his place on the other side of the house and in the main part of his speech make certain statements which are completely untenable. As I said at the beginning the hon. member tried to indicate that the brick plant, which is in my constituency, was not successful. I feel that by the statement he made not only did he sell my province short but my constituency. The fact of the matter is that the brick plant at Estevan, Mr. Speaker, is making a profit today. It is producing a product which is a quality product, and which is being sold all over Canada for industrial purposes.

Mr. Thatcher: I have in my hand the balance sheet which was put out by the Saskatchewan C.C.F. government.

Mr. Deputy Speaker: Order.

Mr. Thatcher: It shows a deficit of $176,000.

Mr. Deputy Speaker: I must insist that both hon. members are ranging far from the purposes of this debate, and I hope I do not have to rise to my feet once more to indicate that we are discussing a bill dealing with the wheat board, and we must confine ourselves to the principle of the bill.

Mr. Ellis: Protected again.

Mr. Howe (Port Arthur): May I enter this discussion? We are discussing a wheat bill which changes the date "1947" to "1952" in two places in the bill, and that is everything that is in the bill. It seems to me that the latitude which is being allowed here is absolutely nonsensical.

Mr. Ellis: Why did you not tell your colleagues that?

Mr. Knowles: Does the minister not mean "1957" to "1962"?

Mr. Howe (Port Arthur): Probably.

Mr. Knowles: Ten years out again.

An hon. Member: That is a petty detail.

Mr. McCullough (Moose Mountain): Mr. Speaker, it makes it very difficult for me to try to answer the untenable statements which the hon. member made the other day.

Mr. Ellis: He is using hit-and-run methods; he is afraid of the answers.

Mr. McCullough (Moose Mountain): I have the facts here, Mr. Speaker. The hon. member said that the Saskatchewan crown corporations had lost millions of dollars for the people of Saskatchewan. That is not borne out by the facts because on all the money invested in the crown corporations there has been a profit.

Mr. Byrne: Who got the money?

Mr. McCullough (Moose Mountain): I just want to put some of the facts of the situation on the record.

Mr. Deputy Speaker: Order.

Mr. McCullough (Moose Mountain): During the year 1954 the annual payroll of those crown corporations was $13 million and the total business transacted by all crown corporations was $46 million. Exclusive of the power corporation and government telephones, a total of $10 million was invested in the remaining crown corporations. At the end of 1954, after deducting all the deficits

of $1,754,000 from the total surplus of $6,759,000, these companies showed accumulated earnings of $5,005,000 by the end of 1954.

Mr. Byrne: Who got the money?

Mr. Ellis: You approved the bookkeeping.

Mr. McCullough (Moose Mountain): Mr. Speaker, I am going to let the matter rest there but in conclusion I should like to say that the hon. member for Moose Jaw-Lake Centre is now taking a different attitude from that which he took on June 7, 1949.

Mr. Thatcher: I have learned a lot in eight years.

Mr. McCullough (Moose Mountain): In the Moose Jaw *Times-Herald* of June 7, 1949, the hon. member for Moose Jaw-Lake Centre is reported to have said:

Thatcher Lauds Crown Firms

C.C.F. candidate Thatcher reviewed the record of the 16 crown corporations, which he said were currently under fire from the government critics. The province's record was an indication of what would be achieved on a nation-wide scale by a federal C.C.F. government, he explained. He admitted that the tannery had been a mistake, and the brick plant, the woollen mill and the fish board, had also operated at a loss. He pointed out that the profits from the others had given the total over-all investment a return of nine per cent, which is a pretty good return, as any businessman must agree. In any case the projects had a primary purpose by supplying jobs which private enterprise had failed to do in the province, he declared.

Mr. Ellis: Put that in your pipe and smoke it.

Mr. McCullough (Moose Mountain): Will the hon. member permit a question?

Mr. Deputy Speaker: Order. May I rise for the dual purpose of mentioning that the hon. member, although he submitted to my ruling, nevertheless went on to discuss crown corporations, a discussion which I think is entirely out of order under this bill.

Mr. McCullough (Moose Mountain): I would like a chance to put it all on the record.

Mr. Deputy Speaker: However, my primary purpose in rising is to advise the hon. member that his time has expired.

Mr. Thatcher: Would the hon. member permit a question?

An hon. Member: No, he has expired.

Mr. Deputy Speaker: Order. The hon. member for Battle River-Camrose (Mr. Smith) now has the floor.

Mr. J. A. Smith (Battle River-Camrose): Mr. Speaker, I am very happy to join with my colleague the hon. member for Acadia (Mr. Quelch) and other members of this group in signifying our intention of supporting the second reading of this bill.

Mr. Byrne: O.K., that is all.

Mr. Low: He has to talk about something else now.

Mr. Smith (Battle River-Camrose): We in the west are very appreciative of the value of the Canadian wheat board. Far too many of us in the west can well remember the days of the old Winnipeg grain exchange. The fact that every agricultural organization in western Canada has expressed general satisfaction with the Canadian wheat board and its operations is significant indeed and it speaks highly of the officials of the board. In that connection, Mr. Speaker,—

Mr. Blackmore: Listen to these words of wisdom.

Mr. Smith (Battle River-Camrose): I wish to personally thank Mr. McIvor, the chief commissioner of the Canadian wheat board, and through him to extend my thanks to his associates, for the co-operation and assistance which has been extended to me at all times as a member. I have never had to wait unduly for answers to any of my requests.

Mr. McCullough (Moose Mountain): Can't take it, eh?

Mr. Thatcher: I do not think you will send this speech home.

Mr. Byrne: No, it has been pretty well loused up.

Mr. Knowles: That is a good word to describe your activities.

Mr. Smith (Battle River-Camrose): In that connection, Mr. Speaker, I might point out that in 1943 the wheat board became the sole agency for the marketing of western wheat. This agency was established at that time under the War Measures Act. At the end of the war the Canadian Wheat Board Act was passed by this parliament establishing it in its own right. By 1949 popular demand was so strong that in that year the marketing of oats and barley was included within the scope of the Canadian wheat board. Popular demand is again growing and insisting that the marketing of flax and rye be handled solely through the wheat board.

At its convention last December the farmers' union of Alberta passed a resolution which urged the federal government to include the marketing of flax and rye under the wheat board. The farmers' union of Alberta is supported in this respect by practically all of the farm organizations in western Canada. I trust that government

supporters will give favourable consideration to this request upon a future occasion.

The whole problem of grain marketing has been very much before the people of the west for several years. The inability of the farmers to deliver their grain to any elevator, not to mention the elevator of their own choice, has caused a lot of dissatisfaction among western farmers and farm organizations. We have a large surplus of wheat in Canada according to some standards but according to other standards the surplus is not so large. A 90-day reserve is not a huge surplus. However, owing to the poor management of the government this surplus has worked adversely against the farmers of the west; in fact it has adversely affected the whole economy of the west.

In this connection, I might point out, I recently received a letter from one of my constituents, a businessman in a small town, who had this to say:

> One hundred grain permits have been transferred from our town to C.N.R. points . . . People three and a half miles from here are hauling grain 19 miles. Last year these C.N.R. points had a quota of eight bushels compared with our five. The wheat board promised that in fairness, low delivery points of last crop year would be given high quotas this year, yet these towns on the C.N.R. are again ahead of us on quotas. Do you blame farmers for dealing where they can sell more grain? These 100 permits represent 40 per cent of our total permits which is also reflected in a 40 per cent loss of business to our small town.
>
> The crux of the matter seems to be a shortage of box cars. The grain agents here have 41 shipping orders which would increase our quota almost three bushels.
>
> Can something not be done about this . . . situation?

Here we have an illustration of blame being directed at the Canadian wheat board over something for which they are not responsible. The Canadian wheat board must operate within the confines of the marketing policies established by this government. It must depend upon the railways for help in moving grain from the local elevators to the terminals. We witnessed a lack of co-operation last spring on the part of one of the major railways and the consequent effect upon orderly marketing.

Toward the close of the last regular session the Minister of Trade and Commerce promised in this house that attempts would be made to equalize quotas in the west. I do not know just how successful those attempts have been in the west generally but I do know that in my own particular area this promise has not been fulfilled. At the end of July 1956 there were only seven points in my constituency on a 5-bushel quota. If the promise had been carried out those points would have secured cars to raise their deliveries. What do I find on February 1, 1957? Four or five points are still on a 2-bushel quota. In my area 24 points are on the 4-bushel quota, 28 on a 3-bushel quota and 17 per cent on a 2-bushel quota. Little or no attempt has been made to equalize grain deliveries in this area.

Last fall I took this matter up with the Canadian wheat board officials and in the concluding paragraph of their letter to me they state:

> Other than to continue to press the C.P.R. advising them of the situation at these low quota points, there is not much that we can do to further assist in this matter.

I agree with the statement made by the Canadian wheat board but I think something could have been done and should have been done at that time, if the government had taken the action it should have taken. During the course of this session we were told that the government has not seen fit to appoint a transport controller because of the actions of some naughty boys on this side of the house. I submit that this is a very weak excuse. The wheat board is being blamed unjustly simply because the government has not seen fit to appoint a transport controller who would bring orderly marketing in the west. I feel that the government has not acted in this regard because it realizes it is powerless to assist the wheat board in securing orderly marketing in the west as long as it continues to follow its present marketing policies.

I now wish to spend a few moments dealing with marketing and our markets. Last evening I listened to a speech by a member on the other side who assured us that we would continue to have our markets, but I am of the opinion we are losing our markets and will continue to lose them until our policies are changed. We often hear the grain marketing policies of the United States criticized in this house. Whether we like it or not we must admit we are losing our markets to the United States. Our government has refused to accept the currencies of other countries and has refused to enter into barter deals. We are told by leading government officials that huge reserves of grain in Canada are a good thing, but who pays for those huge reserves, who pays to keep them? Is it the people of Canada as a whole? No, the brunt of the burden is borne by the farmers themselves.

In recent years we have developed a large export market for grain with Japan and in this connection I should like to quote from the Wheat Pool Budget of November 16. The title of the article is "Who Cares about Grain Markets?" and it reads:

> Trade Minister Howe recently predicted that Japan will probably become our best customer.

Beyond question this market is only being held and developed because of our growing imports from Japan.

To the Canadian farmer and many others this increased trade and better market for wheat is sound business. To the *Financial Times* and the Canadian manufacturers, however, it is a different story. On November 2 the *Times* decried the trend toward a balanced trade with Japan and bewailed the harsh effects on Canadian manufacturers. It revived the old cry that they were not receiving sufficient protection against the products of low priced labour.

It is evident that interests in Canada are quite prepared to sacrifice agriculture in order to maintain their rigidly protected special preserve in the home market where they can make big profits. Canadian exporters, particularly the farmers, must buy the goods they require from protected Canadian manufacturers at much higher prices than are charged elsewhere. At the same time they are penalized in the marketing of their own goods abroad, not only by foreign tariffs, but also by the resistance of the Canadian manufacturer to a balanced trade. In short, some section of the Canadian people must pay a special levy to another, but themselves are not to be permitted to make a living. The *Financial Times* may be the mouthpiece for high finance but it has a very distorted idea of sound economy.

Unless we start buying from countries to which we sell our agricultural products we cannot hope to maintain our export sales to them. The farmers are forced to place their grain through the wheat board upon a highly competitive market. Early this year it was announced that the United States had agreed to make foreign aid available to Poland and she will likely give the same privilege to other satellite countries. Last year Canada sold Poland 14 million bushels of wheat. We are likely to lose this market if we maintain our orthodox system of marketing. Last year we sold wheat to Russia and satellite countries, much of which was financed on short-term loans. So far this year we have heard of no sales of grain to communist countries. What is happening to our markets there? What is happening to our markets in India and Pakistan? New markets must be found and established markets must be held if we are to get rid of our surplus.

Cash advances on farm-stored grain have been urged from time to time in this house. Last year the $1,500 bank loan bill was passed but it proved to be of little or no help to the farmer. Some way must soon be found either to permit farmers to market their grain, or if we wish to continue our level of production there must be a system of cash advances handled through some government agency other than the wheat board.

Speaking in this debate last Friday the hon. member for Acadia (Mr. Quelch) discussed the two-price system for agricultural products. He pointed out that most agricultural organizations were requesting such a system. In its brief presented to the federal-provincial agricultural conference held in Ottawa December 3 to December 6, 1956, the interprovincial farm union council had this to say:

We believe that immediate consideration should be given to a program of parity prices on the domestic market and adequate support prices under exports. The Canadian farmer has not participated in Canada's economic boom, but presently finds himself subsidizing the Canadian consumer. If subsidized food is what we want, then the taxpayers of Canada as a whole should bear the cost. Agricultural producers have borne the cost for longer than they can afford.

And further down:

Action must be taken to increase prices to producers. A parity price on the domestic market related to production costs and Canadian living standards, we consider a reasonable request. We recognize that in order for our grain to compete on the export market, it must be sold at competitive prices. Present world market prices do not give the Canadian producer a sufficient return to meet his present costs of operation. Therefore, we recommend that deficiency payments or a support price structure be instituted to cover exports and return to producers their fair share of the national income.

That brief was in support of the plea which the hon. member for Acadia has made over the past several years for the introduction of a two-price system for all agricultural products grown in Canada.

Another matter which has caused great concern among the farmers of Alberta is the special quota of three bushels per seeded acre for barley. This quota was not in operation in our province but it was in effect in Manitoba and Saskatchewan. While we are prepared to admit that the officials of the Canadian wheat board must have sufficient stocks on hand to meet necessary export commitments at all times, we do feel that in this particular instance the barley producers of Alberta have been discriminated against. It is to be hoped that a demand for barley at the west coast terminals will soon arise so that the Alberta producers will be able to take advantage of this additional special quota.

Last year it was my privilege to attend the farmers union of Alberta convention in Edmonton. Farm problems were discussed at length by the delegates attending that convention and several resolutions with respect to grain policy were passed. The convention asked for such things as the inclusion of the marketing of flax and rye under the Canadian wheat board; it asked for the extension of bilateral agreements; that all grains used on the domestic market be sold at parity prices; that a uniform quota policy be adopted on an annual basis. The convention asked for cash advances and that such advances be the full initial payment. It asked that advances be paid on the basis of one-half of the deliverable grain and that all administration and interest charges be

borne by the government of Canada. It asked that these advances be repayable on the basis of one-half the value of each delivery made by the farmer.

The convention also discussed the setting up of a food bank and also the distribution of box cars, that they be so allocated that farmers may deliver their grain to the elevators of their choice. Mr. Speaker, I think the Minister of Trade and Commerce (Mr. Howe) should give very serious consideration to the immediate appointment of a transport controller. I have here a short article which appeared last evening in the Ottawa *Journal*. It had been taken from the Winnipeg *Free Press*, and it deals with the position of the transport controller among other things. The heading is "Parliament a Scapegoat for His Own Failures?", and the article says:

In the House of Commons Mr. C. D. Howe said that the position of federal transport controller had become "completely untenable". The government had not named a successor to Mr. Roy Milner, who resigned as controller a few months ago, because it had been unable to find anyone to take the job.

This reluctance was due, according to Mr. Howe, to the treatment Mr. Milner received when he appeared before the parliamentary committee on agriculture last year.

Mr. Howe should not try to blame parliament for his troubles. The reason lies more with the government than with parliament.

The transport controller has never had any real authority to enforce his control over bulk shipments within Canada. He has had to try to achieve his purposes by making informal requests to the railways and to other trantsportation agencies.

Mr. Milner's success as controller is a tribute to his personal qualities and ability. If he was not at times as successful as some people felt he should have been, the fault lay in the lack of authority necessary to the proper carrying out of his duties.

Mr. Howe's way out of this difficulty apparently would be to have the controller act as a kind of secret agent for the government, exercising influence behind the scenes and not subject to questioning by parliament.

Such a concept is utterly unconstitutional. Either there is a job for a transport controller to do openly and properly, in which case his work can and must be subject to parliamentary scrutiny; or there is no place for him at all.

It is high time that a minister of the crown stopped trying to make parliament, the basic institution of our democracy, a scapegoat for his failings in administration.

I wish to point out, Mr. Speaker, that it was not only the transport controller who was blamed; it was the Canadian wheat board, and the board was, during the course of last year, blamed for things for which it was certainly not responsible.

Yesterday morning, Mr. Speaker, I received several petitions from people living along a railway line in my area. The heading reads like this:

Whereas an unfair grain marketing situation exists on the C.P.R. Willingdon-Lloydminster line; whereas farmers in the province as a whole should have equal opportunity to market their grain regardless of their location; whereas the result of the above situation on the said railway line is that an alarming number of farmers are being forced to take out their grain delivery permits at points on adjacent C.N.R. lines, resulting in increased delivery costs to the farmers and unfair loss of revenue to places of business providing service to the above farmers, be it resolved that in view of the above situation we, the undersigned, petition the federal government to investigate and correct this grain marketing problem.

Mr. Speaker, I have already pointed out that these farmers are on a low quota basis. They were promised by the Minister of Trade and Commerce (Mr. Howe) last August that they would be given additional quotas. They have not been given them. The only recourse was for 650 of them to sign these petitions and send them to me so that I could forward them to the proper authority.

I am going to send these over to the Minister of Trade and Commerce right now, Mr. Speaker, and I would ask him to see whether something cannot be done immediately to give the farmers in this area the square deal they deserve. I might mention, Mr. Speaker, that these petitions come from such places as Derwent, Clandonald, Marwayne and Streamstown.

Mr. H. A. Bryson (Humboldt-Melfort): Mr. Speaker, it is not my intention to make any extended remarks this afternoon, nor is it my intention to review the history of the Canadian wheat board. That has been done very capably on two or three occasions by members who have already taken part in this debate.

When the Minister of Trade and Commerce introduced this bill recently in the house his opening remarks were to the effect that the system of marketing grain through the Canadian wheat board was sound, and we in this group could not agree more wholeheartedly with that statement. We shall support this bill on second reading. We are so confident that the wheat board is the best possible method of marketing the farmer's grain that we were rather disappointed to find, on examining the bill, that it did not make the life of the Canadian Wheat Board Act permanent. We were also rather disappointed to learn that it did not take into account the marketing of flax and rye. We hope that in the very near future we shall see the wheat board take unto itself the handling of all grains in this country.

However, because the Canadian wheat board must operate within the federal government's trade policies it has come in for a lot of criticism. In many quarters throughout this country it has become a sort of

whipping boy for the inadequacies of the federal government's grain trading policies throughout the world, and I suggest this is very unfair. The other day the hon. member for Provencher (Mr. Jutras) suggested that those of us who criticize the federal government's trading policies are making a deliberate attempt to destroy the wheat board. I say that any suggestion of that sort is entirely false. However, I do say this: that very unfair criticism is being directed at the wheat board by the critics who see in the trading policies of this government those inadequacies which are forcing them into a very serious economic position. And the people who are affected immediately charged those difficulties to the Canadian wheat board. I refer, as an example, to the inadequate allocation of boxcars throughout the country. Here is a case where the wheat board is coming in for a great deal of unfair criticism.

I have here a clipping from the *Star-Phœnix* of recent date to the effect that in the vicinity of Aberdeen five elevator agents and 56 farmers have been hauled into court because they had violated the Canadian Wheat Board Act.

On another occasion, in the vicinity of Davidson, Saskatchewan, 19 farmers and three elevator agents were haled into court because, as the result of economic distress brought about by the inadequacies of federal agricultural policies, they had actually been forced to violate the law. I think this is very unfortunate. As was pointed out by the judge who heard these cases, this is the first time this has happened, and it is a clear indication of the great economic distress the farmers are suffering at the present time because of the failure of the government to implement a realistic agricultural policy.

The minister also said in his address, and I agree wholeheartedly, that the principle underlying the Canadian wheat board has won wide support from producers throughout western Canada. That is true. You know, I am always a little amazed when a bill is brought into the house dealing with the Canadian wheat board to listen to the efforts of both the government and the official opposition in vying with one another to take the credit for establishing the Canadian wheat board. I suggest that the efforts and support of western farmers over the years were much more responsible for the placing of the Canadian Wheat Board Act on the statutes of Canada than any other single factor.

The minister also mentioned that the value of the Canadian wheat board was, unfortunately, not shared by the people in other quarters of Canada, and again I agree. The day following his announcement that an interim payment was going to be made I was a little disturbed to see a very responsible eastern Canada newspaper saying in effect that this was in part a subsidy paid by the government and the people of Canada to the farmers of the west. Such statements go far to discredit and confuse just what the Canadian wheat board is attempting to do and what it stands for. I had hoped that on the following day there would be a statement by some spokesman for the government to the effect that no subsidy was being paid in connection with the interim payment to western farmers.

The minister referred to the report of the Gordon commission, and again I am in complete agreement. In their observations they say that the initial payment is set for the whole crop that is produced in that one year. It seems a very strange thing to me that a commission with the job, as one aspect of their work, of making a considered report on what should be done with respect to the whole problem of agriculture should not have understood what really is the fundamental principle upon which the Canadian wheat board operates. The commissioners apparently have a complete misconception with respect to the setting of the initial payment. The initial payment does not cover the whole of the crop in any one given year.

That is the reason that we in the west have advocated and will continue to advocate advance payments. The farmer who has to hold over his wheat, who must keep his wheat on his farm because of quota restrictions or a multitude of other reasons, is being penalized. The best example I know of is that in the 1952-53 crop year the total payment received by farmers was $1.81.9 cents a bushel for No. 1 at Lakehead. In the 1953-54 crop year the price had dropped to $1.56.4 cents a bushel or a drop of over 25 cents a bushel. Those who live on the Canadian National branch line from Prince Albert to Hudson Bay Junction are in a very favourable position because of the haul to Churchill. Those who live on that branch line are able to deliver a great deal more grain than the unfortunate people who live on a C.P.R. branch line in the same vicinity. The result is that we are able to market a great deal more grain than those who live on a C.P.R. branch line. They keep their grain and they lose 25 cents a bushel because when the next year rolls around and they market their grain they are penalized to that extent.

I believe we are quite justified in suggesting to the government that we should have a system of cash advances to more or less equalize deliveries to farmers everywhere. As far as

cash advances are concerned, I think the government has already established the principle of cash advances because in simple language this is what the government is doing at the present time. They are saying to the farmers: If you will take your grain out of your own granary or your own elevator where it is not costing anyone anything for storage and put it into somebody else's granary or elevator—one of the commercial grain handling companies where you have to pay storage we will pay you for that grain. It is nothing else but a cash advance. The initial payment is only a cash advance against final settlement at the end of the crop year. Therefore I suggest that the government has already recognized the principle of cash advances.

According to the minister, the Gordon commission in their review of the grain problem operated on the assumption that we were going to have a surplus problem. The minister says that is not true. I think I will have to take exception to that statement by the minister because the statistics certainly seem to bear out the fact that we are going to be confronted with surpluses for a good many years to come. It is quite true that in the last ten years the average exports have been 15 million bushels higher than in the long term period of 33 years which is generally used in this connection. But I should like to point out that the average production in the same ten years has been 61½ million bushels greater than in the long term 33-year period.

Taking the average of 15.7 bushels per acre, which is the long term average, it is going to take from four to five years to reduce the present surplus to 100 million bushels. But in the last ten years production yields of wheat in western Canada have jumped from 15.7 bushels to 21.3 bushels per acre. Therefore if we take the latter figure into consideration with respect to reducing surpluses, it is going to take seven years to reduce the present surplus to 100 million bushels.

The minister says that we have had bumper crops in the last few years. I agree entirely with that statement but I suggest he is a little optimistic when he thinks that possibly we will revert to production yields comparable to the 15.7 bushels per acre of the 33-year average. Because of technological advances I think we can look forward not only to a fairly sustained yield of 21.3 bushels per acre but to even higher yields than that. We have had bumper crops for the last few years but I should like to point out this fact. Back in 1954 we harvested in western Canada only 282 million bushels. It is necessary to go away back to the 1930's in order to find a year when we harvested as little. You therefore cannot say categorically that we have had bumper crops throughout the last few years.

What is the solution to this problem? I suggest that we have one of two choices to make. We either must increase our exports or must cut our wheat production. I am not against cutting our wheat production. I never have been against it. I always maintain that there is a market for other things besides wheat. When you consider that in western Canada we have literally millions of acres of land which is being sown to wheat but which should be sown to some other crop, if you are going to talk about an economic operation then I suggest it would be quite feasible to cut our wheat production. By that I do not mean to say that we should cut our production of agricultural products. We should diversify our agriculture. Hence we have advocated a system of parity prices in order to bring about diversification of western agriculture so that we would not have these tremendous surpluses of wheat that are growing year after year.

However, I can readily understand the government's reluctance to accept a program that would lend itself to diversification because they then would end with surpluses of other products; and they are not prepared to expand their trading policies in order to get rid of those surpluses any more than they are prepared to expand their trading policies to get rid of more wheat than they are getting rid of at the present time. But if we are to produce wheat without any plan, if we are going to keep on with an agricultural program in this country without any planning as to what we are going to produce, the only thing that is left open to us to do is to export more wheat. Present indications point to the fact that we are losing our market for Canadian wheat and that we stand to lose more markets for Canadian wheat. In the light of the present disposal program that has been initiated by the United States government we may well lose the few new markets that we have been able to gain behind the iron curtain. Since October, under public law 480 sales contracts to foreign countries by the Americans have amounted to something over $2 billion.

I am always a little bit amazed at the Conservative party when they criticize the United States disposal program as a give-away program. I should like to deal for a moment with the so-called give-away program with respect to the United States agricultural products agreement with India. The United States has sold India $400 million worth of agricultural products. Most of it has been wheat. That deal calls for repayment over

a period of 25 years in Indian currency, at an interest rate of 3 per cent, no interest to be collected in the first three years of the agreement, the money to be left in India in order that they may develop their natural resources and their industrial capacity. I cannot see anything wrong with such a plan. Barter contracts between the United States and foreign countries in the last two years—I refer to barter deals alone—have amounted to some $600 million. Three-quarters of them were negotiated with the United Kingdom and countries of western Europe, with the exception of a small order to Japan and to Greece.

Canada has lost its position in the wheat markets of the world. Not only have we lost our position in so far as international wheat agreement sales are concerned but we have lost it under other agreements as well. Under the international wheat agreement we have met only 49 per cent of our commitments. The Americans have gone up to 68 per cent of all they contracted for. Exports to iron curtain countries from Canada have accounted for the major part of the wheat that we have marketed outside of the countries that normally trade with Canada. Last year 45 million bushels were exported to iron curtain countries. If the negotiations under way materialize between the Americans and the iron curtain countries, in all probability we are going to lose even that limited market.

When Canada is confronted with the United States disposal program, the best we can do is simply to say that we cannot afford such a program. Yet I should like to ask this question: What can we afford? I know that we can afford to spend from $200 million to $250 million in building a prototype of the CF-105. We can afford that, but apparently we are not able to afford to develop any trade program with any other country. If we are not able to dispose of our agricultural products individually as one country I would suggest to the government that we should explore the possibility of associating ourselves with the United States in an effort to dispose of them jointly with that country.

I should like to deal for a moment with one other aspect of this bill. It has to do with grain deliveries and the allocation of box cars. It seems that there is in the minds of the western farmers more confusion now as to the allocation of box cars than there ever was previously. Last year before the committee on agriculture of this house the transport controller told us exactly how box cars were being allocated. Yet when he appeared before the select committee of the Saskatchewan legislature he told that body that, as against shipping orders, the wheat board directed the railroads to allocate box cars. Certainly that was an entirely different story. So it developed from that statement that in the Carrot river area in my constituency there were 71 shipping orders outstanding, and they had been outstanding for several months. When in desperation the farmers of that area communicated by telegram with the wheat board as to what they should do in order to get box cars to that point where 71 shipping orders were outstanding, the wheat board replied that it was the problem of the railroad and they suggested that the farmers in that area should contact the officials of the railroads concerned. I am not sure, but I think most of those shipping orders are still outstanding. Then on a C.P.R. point in the same area they were not able to get box cars and they have not been able to get box cars for several months; the situation did not change until I and another farmer spoke to one of the junior grain commissioners and asked him if he would try to get a few box cars for that area. Within a matter of hours seven box cars were on the track at the point that was brought to his attention.

Certainly, I think the government will have to agree that this is a very loose way to allocate box cars when one has to make personal contact with one of the members of the board of grain commissioners.

In conclusion, Mr. Speaker, may I say once again that we are supporting this bill. We will vote for second reading. But our criticism is levelled at government trading policies because, after all, the wheat board must operate within the framework of the government's trading policies.

Mr. C. E. Johnston (Bow River): Mr. Speaker, it is not my intention at this time to spend very long on this question. I have spoken on it before and other members of our party have stated our position most clearly. Therefore, I do not intend to repeat many of the points raised by the members of this group. However, I wish to say at the beginning, so that there will be no misunderstanding the position which we take on this matter, that we intend to support Bill No. 9, to amend the Canadian Wheat Board Act to extend the operations of the wheat board for another five years. I think the reason for that is evident. The reason most members in this house, and particularly those from western Canada, are in agreement with extending the operations of the wheat board for another five years is that we do not want to go back to the open-market methods of years ago. Those of us from the west can well remember the state of affairs which existed in those times. Nearly all the bills which the farmer had

accumulated came due in the fall immediately after threshing and invariably the price on the open-market system was the lowest for the year. The farmers were compelled to sell their grain at that time to meet their obligations and therefore they took the lowest price possible.

It is true that when you look at the statistics you will see that the average price of grain over the year might have been fairly good, but certainly the cash income that the farmer received was at a very low level. We do not want to see those conditions return.

The wheat board has been in operation now for some 14 years. As far as the western farmers are concerned, it has been proven that they obtained a far better average price during those 14 years than they ever had before the board came into existence. They would not have received that price had the wheat board not been in existence in the last 14 years.

The wheat board—and I agree with this—has had a stabilizing effect on the marketing of wheat. We were glad to see oats and barley included in the operations of the board and we would like the government to go farther and extend the operations of the board to flax and rye. We would also like to see the government take a step to make the wheat board legislation permanent.

On February 1, when the minister spoke about the operations of the wheat board, he went to great lengths to explain that the wheat board had been a success. He pointed out—and I think properly so—that all of the farmers and all of the farm organizations were in support of the continuation of the wheat board. If that is so—and I think it is so—then the government should take immediate steps to put the wheat board under permanent legislation. What is the use of year after year, or every five years at the most, renewing the life of the board or bringing down an amendment to extend the life of the wheat board for a further period of time? If it has been proven that it is a success—and we all agree that it has been—then I think we should put the board under permanent legislation. If that were done it would eliminate most of the criticism that comes from those who support open-market operations in their continuous effort to try to undermine the wheat board and have it done away with so that the old practices may continue to the benefit of the favoured few and to the detriment of agriculture and all those connected with it.

There is another question that I should like to refer to for a few minutes, Mr. Speaker, namely, the question of surplus. Some hon. members may think that we western members take this problem too seriously, and they may at times become impatient with us because we repeat our arguments in favour of western agriculture. But this is a serious problem as far as agriculture is concerned. Mind you, agriculture is the primary industry of this country. If we have a depleted agriculture, then the economy of the whole of Canada will be seriously affected.

This surplus problem is causing us a great deal of trouble these days. We now have on hand, or did have on January 9, 357,636,000 bushels of wheat. The government itself has recognized that this is too big a problem for the farmers themselves to take care of. The minister has indicated that. Finally, after all these years, the government has come to the conclusion that it should not be the sole financial responsibility of the farmers to carry this tremendous amount of wheat from year to year. It is a national problem, and certainly as the hon. member for Battle River-Camrose (Mr. Smith) stated a few moments ago when he was speaking, it is in the national interest to have a storehouse from year to year of this very essential commodity so that should there arise a national disaster in the production of wheat our country would not have to suffer as a result. But it is beyond all reason to ask the Canadian farmers to carry this whole burden. The government did take a step in the right direction not long ago when it agreed to pay the storage charges on all wheat in excess of 178 million bushels. It seems to me, Mr. Speaker, when the government took that step it acknowledged to the country, and particularly to the farmers, that the policies which it had been pursuing over the last years have certainly not been justified and the forcing of the farmers to pay the carrying charges on the surplus was something that should not have happened.

After having acknowledged their shortcomings in this respect by agreeing to pay storage on all wheat in excess of 178 million bushels, it does seem to me that the government has a responsibility to compensate the farmers of this country for the losses which they have incurred because of the government's failure to recognize the problem and make amends in that respect. Even yet the government refuses to acknowledge that the surplus problem is a continuing one.

When the minister spoke to the house the other day in regard to this matter he referred to the Gordon commission's reference to surpluses, he had this to say, as reported at page 891 of *Hansard:*

> The Gordon commission recommendations appear to be based upon the assumption that there is likely to be a continuing surplus problem. I do not share that view and I think it would be a great mistake to base our policies on such an assumption.

I suggest to you, Mr. Speaker, that this is in contradiction of the action taken by the government not long ago in agreeing to pay storage charges on that grain in excess of 178 million bushels. In that act the government acknowledged that we had a surplus problem and that it is likely to be a continuing one, and yet when the question is brought before them with a view to having them take care of the surplus problem they say, as the Minister of Trade and Commerce said, that they do not share the view and it would be a great mistake to base their policies on such an assumption.

The Alberta wheat pool had something to say on this question in the January 4 edition of the Wheat Pool Budget. In a broadcast made on January 1, Mr. A. T. Baker, general manager of the Alberta wheat pool spoke of the surplus problem on behalf of the wheat pool and expressed his view concerning whether or not it is likely to be a continuing problem. In this article he is quoted as saying:

> From the wheat producers' standpoint the future still does not appear rosy, nor is it entirely gloomy. We have surplus stocks which neither planned acreage reductions nor crop failures, short of unpredictable disaster, are likely to dissipate for several years. We will probably have to live with substantial reserves of food for some time, and learn to value them as the assets that they really are.

That is an opinion which was expressed after considerable consideration. Surely when the minister finds there are so many people who are versed in this problem taking the view that it is going to be a continuing one he should urge the government to introduce policies which would assist in solving the problem.

Even the Minister of Agriculture (Mr. Gardiner) is not alarmed at this situation because he expects that before many years have passed the drought now prevailing in the Southern United States will eventually come up to Canada, and we will have disastrous crop conditions again and then the problem will be solved. I trust that we shall never have drought conditions in this country and even if the time should come when drought conditions prevail they will not be as serious as in the past because they will be offset to some extent by improved methods of agriculture and proper irrigation. Irrigation should be extended as far as possible in Saskatchewan and Alberta so that if drought should occur we will not have the low yields we used to have when drought conditions existed. The minister is going a long way in saying that the possibility of future droughts will eliminate our surpluses.

We are not the only country that is bothered by a surplus problem. The United States is having to face up to a similar situation but the government of that country approaches it in an entirely different manner from that of this Liberal government. The government of the United States recognizes that surpluses particularly in wheat are going to continue and not only are they introducing policies at this time but they have already introduced policies to take care of the problem. It would seem to me that the federal government would be well advised to adopt at least some of the methods that have been adopted in the United States in order to deal with this ever-increasing problem.

I have in my hand a copy of the *Western Producer* for Thursday, January 3 in which is reviewed an article written in the United States news and world report under the heading, "One farm policy that is beginning to work". This, of course, refers to the surplus problem and the article examines what is called the two-price system that is in existence in the United States. Let me read in part the summary which the *Western Producer* makes of this report as it relates to the problem to which I have referred. The report says:

> In effect, a two-price system has been set up. There is the domestic price at which government supports farm products. Then there is the second price, set at the level needed to move the surpluses into consumption abroad. Immense sales abroad have followed the decision to use the two-price policy.
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> Actually no two-price law, as such, has been passed. Officials do, however, have authority, under various laws, to sell abroad at discount prices. They can sell for dollars to the highest bidder, or they can make deals with friendly nations for foreign currency. Barter deals are part of the plan, and much of the surplus is just plain given away.
>
> The taxpayer—not the farmer—finances the whole works.

May I pause for a moment to say that the few price supports we have in Canada have not always been supported by all the people of Canada. We remember that during the war when the wheat board was forced to sell wheat to Britain under the British wheat agreement at less than world market prices because of federal government policies the farmers sustained a tremendous loss amounting to hundreds of millions of dollars. At that time the government promised the farmers they would not have to bear the loss alone and that after the war a sufficient support price would be established to make up that loss. Of course every hon. member in this house knows that this was not done and the farmers have had to bear the entire loss themselves. This government went even further and caused the wheat board to sell wheat to the millers of this country at a rate lower than the market price. There

again the farmers themselves and not the people of Canada had to subsidize—

Mr. Howe (Port Arthur): Mr. Speaker, that is not true and my hon. friend knows it. That subsidy was paid by all the people of Canada.

Mr. Johnston (Bow River): I know that the price at which wheat was sold to Great Britain during the war was below the world market price and when the wheat was sold to the Canadian millers at about 78 cents the government made up the difference between that and the wheat board price.

Mr. McCullough (Moose Mountain): The Canadian price was $1.25.

Mr. Johnston (Bow River): The only compensation the farmers received was $65 million which the government said they would turn over to them as compensation for their loss but the farmers lost approximately $350 million all told.

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

Mr. Johnston (Bow River): Yes, surely.

Mr. Decore: I believe the hon. member was in the house at the time the United Kingdom wheat agreement came before us for ratification. Did the hon. member vote in favour of that agreement or against it?

Mr. Johnston (Bow River): He certainly never voted in favour of the farmers sustaining that loss.

Mr. Decore: That was not the question. The question was, did you vote in favour of the agreement?

Mr. Blackmore: Of course he voted in favour of it.

Mr. Johnston (Bow River): That was during the war, Mr. Speaker, and I supported that agreement in order to help Britain; but never on any occasion have I supported the farmers sustaining that loss. In fact, it was the Minister of Agriculture who stood up in the house at that time and assured us there would be a support price on agricultural products to offset any loss that might result. The hon. member who has just interrupted was one of those who sat here and listened to that statement. He knows very well that the $65 million which was later paid to the farmers never began to compensate them for the losses which they had endured. Does he agree that the $65 million completely compensated the farmers for the terrific losses they took in subsidizing low-cost living, not only for the Canadian consumer but for the British consumer as well?

Mr. Decore: That is not answering my question. Why did you vote for it?

Mr. Johnston (Bow River): I did answer the question.

Mr. Harrison: Is the hon. member aware that some spokesman for the present British government has claimed just the opposite to what he says, that is, that the British wheat agreement overpaid us by millions of dollars?

Mr. Johnston (Bow River): I am not arguing their case at all as that is not my concern. I do say that the Minister of Agriculture (Mr. Gardiner) stood up in the house and said that the farmers of this country should not have to take a loss as a result of that contract. Do you remember that? Where have those promises gone? Right now we find that the farmers of this country underwent a loss of $350 million and they were compensated only to the extent of $65 million.

I was pointing out that the people in the United States are recognizing that this surplus problem is a continuing one, but this government does not recognize it as such. It should. I think they admitted that when they agreed to pay storage on the excess of 178 million bushels. They knew it was going to be a continuing problem or otherwise they would never have agreed to pay that. I am not criticizing them for having paid it; I think they should have paid it as it was something long overdue. Up to that time the farmer had to pay the full shot. This article goes on and summarizes this as follows:

> For the first time in years surpluses are moving out faster than they are coming in and there is to be a year-to-year decrease in the stockpile.

That shows the results of the methods the United States are using. I do not agree with all the methods they are using, but from their point of view they are the right methods because they are getting rid of these surpluses. The farmers there are not standing the losses, they are being underwritten by the government and not by the farmers. Here is an important section I should like hon. members to listen to:

> We are learning to use these surpluses as a positive factor in our foreign policy. These donations to other countries for relief of famine, flood and other disasters, plus the sales for foreign currency, are making friends for us in many countries that we're trying to keep from slipping under Russian domination.

Let me stop there for just a minute and say that if we could prevent other countries, especially Asian countries, slipping under communist domination by a gift on Canada's part of a few million bushels of wheat I think it would be well worth the price. I am not suggesting that the farmers should make that donation, it should be made by the government of Canada and the farmers of Canada should be given a fair price for the wheat they have raised. The United States

contend that they are making friends because of this. It is all right for the Minister of Trade and Commerce (Mr. Howe) to stand up and say that they do not agree with the methods the United States are using, but those methods are producing results as far as the United States government and the United States people are concerned. I would rather have a few million dollars spent to give wheat away than see some of our boys sent over there to be shot in defence against communist aggression. It seems to me that that would be a much better plan. The article goes on:

> The mood of agriculture department officials and of Congress indicates that the government's surplus policy is to continue.

That finishes the summary as far as the United States policy on agriculture is concerned, but the *Western Producer* goes on to say:

> That ends our summary of the article. In spite of the fact that Canadian sales are keeping up remarkably well, there are grounds for a degree of alarm at the aggressive tactics being pursued by the U.S., more particularly by the implicit assumption that it is no flash in the pan but rather a settled, continuing policy. This is not set down here for the purpose of arousing criticism of the U.S. Experience has shown that this would be simply a waste of breath. Rather, Canada alone or in co-operation with other countries should be moving in with an equally aggressive, dynamic sales policy. If not, the time may come when we will be left holding the bag and the bag will be full to overflowing with wheat.

That is about what is happening in Canada. We may not agree with all the methods the United States are adopting, but the fact is that their farmers are prosperous. United States farmers are getting well over $2 a bushel for their wheat. No reasonable comparison can be made between the economic position of the farmer in the United States and that of the farmer in Canada.

For a minute or two I should like to say something about advance payments. This is another thing the federal government is not very fussy about. When the Prime Minister (Mr. St. Laurent) was speaking on Friday, January 11, he made some reference to the mention in the Gordon royal commission report of advance payments on farm-stored grain. At this point let me say that I certainly do not agree with all the recommendations and suggestions regarding agriculture contained in that report, but I do agree with the principle that there should be an advance payment on farm-stored grain. We in this group, particularly the hon. member for Acadia (Mr. Quelch) who has spoken on this at great length, have repeatedly requested the government to make advance payments on approved farm-stored grain. However, the Prime Minister, who is the leader of the government, seems to take objection. As reported on page 120 of *Hansard* of January 11 the Prime Minister had this to say:

> I was rather surprised that there should be in that section pages that appeared to me not to reflect a proper conception of what parliament had intended the role of the wheat board to be.

That was referring specifically to the question of advance payments. I want to refer again to what the Minister of Trade and Commerce had to say on February 1 when he took the same view. I have quoted one section referring to the Gordon commission where the minister indicated that he did not consider this surplus to be a continuing problem, that he felt it would be wrong to base government policy on that assumption. Of course the minister is on record as being opposed to making cash advances on farm-stored grain. His great objection was that this certainly should not be done through the wheat board, and I agree with him in that respect. However, there are other agencies which are capable of handling this and on other occasions we have suggested that perhaps the elevators could do it.

I am not arguing about who should do it—that is the government's responsibility. But certainly it should be done. It is common knowledge in this house, Mr. Speaker, that the farmers of western Canada are finding very great difficulty in getting the cash that is necessary for them to finance their farm operations. In fact, almost everyone has had to go into debt in order to get money to carry them over, and last fall, when these debts became due, people still had no money—in fact, in a great many cases, they had not paid the farm loans which they had received the year before. And how can you expect them to pay when they cannot sell their grain? It seems to be putting a farmer into an impossible position when he must of necessity accumulate debts in order to carry on his farming operations. Then fall comes; the farmer threshes his grain—and has no place to sell it. And still we need the surpluses, at a time when people all over the world are starving. Surely, this is not a time to consider reducing these surpluses. However, the government thinks nothing should be done in this respect.

Another unfair condition which existed last fall was that farmers were not able to sell very much wheat. This matter came up before the agriculture committee, and Mr. Milner, who was transport controller at that time, pointed out to us that he had had difficulty, particularly with the C.P.R., in getting cars allocated to points where he thought they should have been sent.

I had some of these points in my constituency, and last year they had only delivered up to about a five-bushel quota, and some not even that. When I wrote to Mr. Milner about it—I was referring at that time particularly to the Standard area in my riding—he said action would be taken, and I must give him credit for sending some box cars in there immediately. That brought the quota up in some points to five bushels. But he did say, too, that he would see that this particular area would have continued special attention. Of course, nothing further was done.

The problem that these people face is that they did not sell more than five bushels last year. Now they start again this year under a handicap. Sure, they had a 300-bushel initial delivery. Then the quota started, and some of them to this day have only got two and three-bushel quotas.

How is it possible for agriculture to carry on under these conditions? I think we have reached a point, Mr. Speaker, where the government should recognize the importance of making some provision for giving cash advances on farm-stored grain in order that our farmers may get some cash with which to carry on.

I shall not continue further, Mr. Speaker, because I am sure you would not allow me to do so, anyway—I see my time is nearly expired—and it is not my intention to prolong the proceedings on this occasion. It is certainly not my intention to hold up the present passage of this bill, because we want to see it go through. I hope, however, that the government will take into consideration some of the serious problems I have brought to their attention, because agriculture needs some assistance. Farmers are not asking for charity by any means; they are only asking that this government should take some action that would give them a cash return so that they can pay the many obligations that they are required to meet.

Mr. John Decore (Vegreville): Mr. Speaker, the purpose of this bill is to extend the term of the Canadian Wheat Board Act, giving it an additional life of five years. As one who represents a grain-producing community I would like to say a word or two in connection with it.

Many speakers have risen and suggested that this should remain as permanent legislation. I would say, Mr. Speaker, that as long as the farmers in western Canada want the wheat board system of marketing, this act, when it comes up again in another five years for consideration, will be further renewed. This government has embarked on this policy of the wheat board system of marketing and I do not think there is any danger whatsoever that this act would not be extended.

Furthermore, the present procedure gives an opportunity to review and discuss the operations of this board, and to make suggestions, as we have been doing. As I say, I have no fears that the wheat board method of marketing will not be continued in the future—provided it has not been scuttled in the meantime through the adoption of certain suggestions whereby an extra load will be put on the shoulders of the board in addition to the heavy load which it is already carrying. I propose to say something about that shortly.

Another point which has been raised is the question of the inequality of delivery opportunities, and this is, of course, a very difficult problem. In dealing with it I can probably do no better than to pass on the words of the Minister of Trade and Commerce when he spoke at the Saskatchewan wheat pool convention held at Regina on the 9th November last. This is what he had to say in connection with it:

> I know that you are concerned about what might be termed the inequalities of delivery opportunities. This is an extremely difficult problem and the wheat board is doing its best to cope with it. But it cannot perform miracles and it cannot afford to put equality of delivery opportunities ahead of selling wheat. The wheat board had to take advantage of every demand which came along. This demand, in many cases, was for specific kinds of grain and grades of grain, and not all delivery points in the west could supply these requirements in equal volume. Therefore, the wheat board had to be selective in its shipping policy in order to move to terminals the grades of grain required to meet demand. This caused some inequalities in delivery quotas, but I thought the wheat board was wise in shipping the grains and grades which could be moved promptly into the domestic or export market. Only by taking this action did we reach the volume of exports and the volume of sales which were attained in the past crop year.

Then the minister goes on to say:

> Let me give you one example. When the crop year 1955-56 began, the board had very substantial holdings of low grade wheat—No. 5, No. 6 and feed wheat—amounting to well over 100 million bushels. By the end of the crop year the board had sold all these stocks and had to look to the 1956 crop for additional supplies of these grades. The selling of this volume of low-grade wheat could not have been accomplished except by taking every step possible to move these particular grades into selling positions.

As I say, there are inequalities of delivery opportunities. It is a serious problem at certain points in western Canada but I think the complete answer is given in the statement made by the minister. I think history will record that during these trying years the wheat board had to stand the acid test with respect to its performance in the face of great obstacles. It faces great difficulties

in the marketing of our grain, greater particularly in the last two years than at any time since the end of the last war.

What have been some of the problems that have confronted the wheat board? Briefly they have been these. First of all, we have had superabundant crops. During the last six years we have had five of the largest crops in the history of this country and the world was simply not in a position to absorb the record crop production in Canada with the result that some had to be carried over on farms and in elevators. That was one problem over which the government and the wheat board had no control.

The second problem was the heavy subsidization of wheat importing countries throughout the world. Some of these importing countries encouraged production at home by means of high internal prices. Again that is something over which the government and the wheat board had no control.

The third problem, and a very serious one, is the surplus disposal methods followed by the United States government. I was surprised to hear some opposition members, including the last member who has just taken his seat, suggest that we should also endeavour to follow some of the same methods of disposal of our surplus grain as the United States is following.

Mr. Johnston (Bow River): On a question of privilege, I did not say that. I stressed very clearly that I was not advocating all the methods used by the United States. I made that very clear.

Mr. Decore: I said some of the methods.

Mr. Johnston (Bow River): If the hon. member had heard what I said he would be deliberately misrepresenting.

Mr. Decore: I repeat that the hon. member suggested that we follow some of the disposal methods followed by the United States.

Mr. Johnston (Bow River): Some of them.

Mr. Decore: If the hon. member had listened to me he would have heard me say that.

Mr. Johnston (Bow River): The hon. member did not say that.

Mr. Decore: I am going to point out to him and to others who raise this same point that there is a great deal of difference between Canada and the United States in this respect. First of all, the population of the United States is over eleven times greater than that of Canada. Second, in the United States they consume right at home 4 bushels of every 5 bushels of wheat they produce. The reverse is true in Canada. For every 5 bushels we produce we can hardly consume one bushel, and we have to find a market for the other 4 bushels beyond the boundaries of Canada. Wheat is one of our very important export commodities and to suggest that we follow the same methods, that we compete with the United States by selling our wheat for a great deal less or follow its give-away program, is certainly one thing that will wreck the wheat board if it should adopt such a suggestion.

It would mean that either the farmer would get less for his wheat or the taxpayer would have to put up the difference. You can be sure of one thing, that if the taxpayer has to put up the difference between the price that we get on the world market and the price that we would get under such a policy—

Mr. Johnston (Bow River): Does the hon. member agree with support prices for agriculture? That is what has happened in the United States.

Mr. Decore: We have price supports and because of our price support program the Canadian farmer is today getting better prices for some of his agricultural products than is the case in the United States.

Mr. Johnston (Bow River): There is no support price for wheat and the hon. member knows that.

Mr. Decore: We have a price support program in Canada and we are getting better prices for hogs today than the farmers of the United States.

Mr. Johnston (Bow River): Let us talk about wheat. That is what you were talking about and that is what I was talking about.

The Acting Speaker (Mr. Applewhaite): Order. I might point out to the house that it is not so long ago that I felt impelled to point out that the hon. member who has the floor should not be interrupted without his consent—

Mr. Gauthier (Portneuf): He does not know that.

The Acting Speaker (Mr. Applewhaite): —and I think I might make the same point again.

Mr. Johnston (Bow River): He should not talk about me like that, Mr. Speaker.

Mr. Decore: Mr. Speaker, despite the very serious problems with which the wheat board is confronted, despite some of the crackpot suggestions we often hear as to what the wheat board should do, the wheat board refuses to be panicked, the wheat board refuses to resort to firesale methods of selling

grain, the wheat board refuses to enter into give-away programs. The wheat board has sold a lot of grain. Last year we had one of the best years in Canadian history so far as sales of wheat are concerned. I think history will record that in that respect the wheat board has done a very excellent job. If it had not been for the wheat board we might be in the same position now as we were in 1932 when the price of wheat went down to the lowest level in Canadian history.

Mr. Johnston (Bow River): That was the Conservatives. They are through.

Mr. Gauthier (Portneuf): There he is again.

Mr. Decore: We do know that there are powerful interests in this country such as the Winnipeg grain exchange, that would like to dispense with the wheat board system of marketing our grain, but I am not so much concerned about them because we know exactly what they are trying to do. I am more concerned about some of these do-gooders who support the wheat board so vigorously and at the same time make various suggestions which, if adopted by the government or the wheat board, would certainly tend to wreck the board.

Mr. McCullough (Moose Mountain): That is nonsense.

Mr. Decore: I say the wheat board has a heavy job. It has a big enough job in handling the problems facing it right now without being saddled with extra responsibility and additional burdens.

Mr. Nicholson: Not nearly as tough a job as the farmers.

Mr. Gauthier (Portneuf): Another one.

Mr. Decore: As to the remark made by the hon. member, when it comes to some of the C.C.F. members from Saskatchewan I am not sure who does better in singing the blues, Elvis Presley or my C.C.F. friends from Saskatchewan. Ever since I entered the house in 1949 I have heard nothing from that group but calamity howling, singing of the blues, the country is going to the dogs, depression is just around the corner. I have heard that in the house ever since 1949.

Mr. Dickey: It went on long before you came here too.

Mr. Decore: In fact, some of them also do a little rabble rousing on the hustings by suggesting a farmers' march on Ottawa. I understand that the hon. member for Assiniboia (Mr. Argue)—it is too bad he is not in his seat today—has been urging the farmers to march on Ottawa.

Mr. Studer: He is probably out doing it again.

Mr. Decore: I think that is one of the finest bits of rabble rousing that has taken place in this country. I have before me a Saskatchewan newspaper known as the Yorkton *Enterprise*. In an editorial they refer to a statement made by a provincial cabinet minister of the C.C.F. government, Mr. Fines.

Mr. Nicholson: What date is that?

Mr. Decore: The date is Thursday, January 31, 1957. This is what the editorial has to say:

> Reviewing 1956, Mr. Fines saw it a year of "unparalleled expansion" for Saskatchewan and mentioned three factors he thought responsible.

Mr. McCullough (Moose Mountain): That is the expansion you said we could not have under a C.C.F. government.

Mr. Decore: I am quoting Mr. Fines:

> "First, a near-record crop, together with better grain marketings, helped farmers recover from the 1954 crop failure and the reduced income level of 1955," he said.
>
> "Second, non-farm production continued its steady and in some cases spectacular development, and contributed almost one-half of total commodity output.

An hon. Member: The Winnipeg manifesto did that.

Mr. Decore: I do not know whether or not they still have the shoe factory there. The quotation continues:

> "Third, high levels of public and private investment, including very large inflows from outside the province, made much of this expansion possible."

As I say, listening to what Mr. Fines has to say and listening to my calamity-howling moon-gazing, rabble-rousing C.C.F. friends from Saskatchewan, I do not know whom to believe. Of course, we realize that the farmer has had his difficulties.

Mr. Studer: The C.C.F. made it difficult for him.

Mr. Decore: Agriculture has its difficulties. I think that this government recognizes—and it is well known—that agriculture has not fully participated in the increased welfare of our economy in this country.

Mr. Nicholson: Who is howling now?

Mr. Decore: What is the reason for that? I can think of no better answer to give than to quote Mr. Hannam when he spoke for the Canadian Federation of Agriculture at the federal-provincial agricultural conference here in Ottawa on December 3 last. This is what he said:

> The difficulties in which the farmer today finds himself are basically a result of the fact that not only in Canada but in the whole of the western

world agriculture has been outstandingly successful in increasing productivity and achieving the expansion of production needed to meet post-war food shortages. This increased production represented one of our most urgent post-war needs. The expansion, however, finally outstripped effective market demand for food and agricultural products both at home and abroad. Coupled with this, the world has experienced a lagging behind of farm products in the otherwise notable post-war expansion of trade.

Mr. Nicholson: That sounds as though Hannam is howling.

Mr. Decore: The government has recognized the problems of agriculture. I do not need now to enumerate the benefits extended to the farmers. They include P.F.R.A., P.F.A.A.; price support for our dairy products; price support for our pork; price support for some of the other commodities; the $65 million that was paid under the United Kingdom wheat agreement and others. I was surprised to hear the hon. member who preceded me in speaking in this debate say that this government does not recognize the surpluses problem.

Mr. Johnston (Bow River): I was only quoting the minister.

Mr. Decore: Let me remind him that the government assumed the costs incurred by the wheat board in carrying stocks of wheat in excess of normal amount. This is computed on a 15-year average period. On anything over 175 million bushels the government is prepared to pay, with the result that for the 1954-55 pool the taxpayer of Canada has paid the western producer the sum of $31 million, or over 7¼ cents per bushel extra to each farmer in western Canada. Does that mean to say that the government does not recognize the surpluses problem? I think it is clear that, under that legislation, the principle of paying the carrying costs on stocks in excess of 175 million bushels is now part of the law of Canada. When carry-overs come back to normal, as some day I hope they will, this legislation will not be valid. But until such time that legislation is on our statute books. I therefore think it is misleading to tell this house that the government is not concerned with regard to these surpluses of wheat in this country.

Mr. Johnston (Bow River): I was only quoting the Minister of Trade and Commerce.

Mr. Studer: If you did not have someone to quote, you could not make a speech.

An hon. Member: You cannot make one anyway.

Mr. Blackmore: Turn up your *Hansard* and you will see what the government had to say about it.

[Mr. Decore.]

Mr. Decore: In spite of the difficult problem that it has to face, I say that the wheat board did an excellent job. A while ago I mentioned the fact that last year we had one of the best selling years for our wheat in the history of this country. We increased our exports to old customers such as the United Kingdom. In the previous year exports to that country amounted to 102 million bushels; last year they amounted to 109 million bushels. To West Germany we increased our exports by 5 million bushels to a figure of 30 million bushels. Exports to Japan remained about the same, namely 29 million bushels. At the same time trade with regard to our wheat was good with countries such as Belgium, Norway, the Netherlands, Ireland and other western European countries. Then we developed or opened up new markets especially with countries behind the iron curtain and were able to sell 45 million bushels of wheat to those countries.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Decore: Mr. Speaker, just before six o'clock I endeavoured to point out that the wheat board system of marketing has many enemies in the country. I also endeavoured to point out that I was not concerned about those who want to get rid of the wheat board system of marketing. They work quite openly, and we know with whom we are dealing, but I am concerned about those do-gooders—and there are some in this house who have spoken in this debate—who profess to be the real friends of the wheat board but who would saddle the board with extra burdens which, if adopted, would certainly tend to wreck the system. I refer to such things as following some of the surplus disposal methods of the United States and the taking of local currency of other countries. If the currency of other countries is as good as Canada's, then of course, there is no problem; but if the currency is not as good as Canada's then, of course, we would have to sell our wheat at a discount, or at next to nothing, and that would mean that the farmer would either get less for his wheat or the taxpayers would have to put up the difference, and certainly that would be one way of wrecking the wheat board.

In conclusion, Mr. Speaker, I wish to say that the wheat board and the government should refuse to accept some of these so-called fancy deals of accepting local currencies. The farmer would like to see the

fairly high level of prices maintained. The farmer does not want the wheat board to resort to firesale methods, fancy deals or the board get panicky. The farmer would rather sell one bushel of wheat at a fair price and keep the other one at home for the time being than sell his wheat for something less. Therefore, I hope that we do follow the wheat board system of marketing our grain. The farmers in western Canada have fought for this for a number of years. They now have it and they would like to see it maintained. They would like to see the wheat board and the Department of Trade and Commerce continue, as they have in the past, a vigorous campaign of finding new markets for our wheat outside of Canada and, above all, the wheat board maintain the high price level that we have had for our wheat in the past.

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, the main theme of this debate so far has been, as indicated, the wide acceptance in this house at least of the principle of orderly marketing of our grain. I say "grain" advisedly, Mr. Speaker, because so far we have been hearing a great deal about wheat, which may leave the impression amongst those who are not particularly familiar with the wheat board legislation that it refers to wheat only. I realize that wheat is the most important grain produced in western Canada, but it should not be forgotten that other grains such as oats and barley, rye and flax are also of great importance and in many parts of the prairie provinces are even more important as a grain than wheat itself.

I understand that the orderly marketing principle does in a way open a heartening debate for those of us who believe in orderly marketing of farm products as a principle and as part of our laws. I think it is all the more heartening to hear from members and from party representatives who in the past have not always been quite so friendly to that principle, because basically what has happened in the marketing of grain is that the farmers as well as the consumers have come to the conclusion that this is a commodity which can no longer be left in the hands of private enterprise and which cannot be left to the speculative purposes of those who want to exploit both the consumer and the producer.

The realization of that carries with it a great deal of significance because, as time goes on, it is my guess that that idea will gain ground amongst both the consumers and the producers of this country. In other words, every time that we can show, as I think the wheat board has shown, that it is possible to take an important commodity, and particularly food, out of the realm of speculation, out of the hands of those who would exploit the producer and the customer and put it into the hands of a board which is there to provide the producer with the best possible return, and to pass on that commodity to the consumer at the most reasonable price in order that the margin in between, or the cost of handling, shall be as inexpensive and as efficiently handled as possible, a great service will be performed.

It is very significant that both the producers and the consumers in Canada, as represented in this house, have come to the conclusion that the least expensive and most efficient manner in which to distribute this very important commodity of Canada, in some respects the most important commodity both in Canada and for export, is to take it out of the realm of private enterprise and put it in the hands of a board responsible to the representatives of both the producer and the consumer.

A great deal has been said about the wheat board itself. When the minister introduced the resolution he made one or two very significant statements to which I wish to refer. First of all, he set out in one paragraph a very important explanation. I am glad he did it because it has given rise to misconceptions in the past. There have been people—and probably there still are—in Canada who were under the impression that in some way the Canadian treasury subsidizes or carries the wheat board. On the other hand, there have been people who have been under the impression—it has included many producers as well—that they have a guaranteed price for their grain. Well, neither one is true. I wish to quote these lines of the minister's explanation which I think bear emphasis. He said, at page 890 of *Hansard*:

> The government authorizes the board to fix an initial price for such wheat as may be delivered to the board within the next crop year, and guarantees the banks against loss through payment of the initial price, but the government does not guarantee payment to the farmer of any price for wheat which is not actually delivered to the board within the crop year.

The reason I repeat these words is to indicate very clearly that the present policy of the government is not to guarantee a price for grain which the farmer produces; it is simply to guarantee the banks against loss of any moneys they advance to the Canadian wheat board for the purposes of the initial price and it is based only on that part of the grain which can actually be delivered. That, of course, depends on the quotas; it depends upon the storage space, availability of box cars, export markets and a great many other factors, so that in effect what the producers have here is only a partial protection so far as the price of the farmer's grain is concerned.

Then, farther on, the minister said, referring to the recommendations of the Gordon commission:

> The Gordon commission recommendations appear to be based upon the assumption that there is likely to be a continuing surplus problem. I do not share that view and I think it would be a great mistake to base our policies on such an assumption.

I agree thoroughly with the last half of the last sentence where the minister says;

> . . . it would be a great mistake to base our policies on such an assumption.

I am not so sure that the minister is quite so right when he says that he does not share the view that we may have a continuing surplus problem.

I will come to that later in my remarks because I believe that is one of the most important matters in connection with the board that we are going to have to face in the next few years; that is, how to devise means by which the Canadian wheat board can continue to provide a service to the producers to an extent which will assure the greatest possible market for their grain.

It has been said that the wheat board has been subject to criticism. I think it would be more correct to say that it has been government policy which has been subject to criticism because the wheat board works within the framework of the Canadian Wheat Board Act. It has only certain powers and certain obligations. It cannot in itself evolve policies which are opposed to the policies held by the government. If the wheat board is going to be rid of a great deal of criticism which does not belong to it, it will be necessary for the government to find ways and means to deal with the surplus position to a greater extent than is envisaged by the minister.

The hon. member for Provencher (Mr. Jutras) in his address yesterday gave a little of the historical background of the Canadian wheat board. I found it an extremely interesting review but I also found it to be quite incomplete and I would like to devote just a few minutes to that subject. First of all I think it should be made perfectly clear that the only political party in this house that has consistently and from the very beginning supported the principle of a Canadian wheat board as it is now constituted is the C.C.F. group together with some of the hon. members in the party to my left. I refer to only some of them because it has not been the case with every hon. member in that group.

When the hon. member for Provencher proceeded to describe in rather uncomplimentary terms the policies followed by the Conservative government at the time of Premier Bennett and the policies advanced by the present Progressive Conservative opposition through their leader, he left a great gap. What he did not state and what I think is important for us to know is that for a great many years, as a matter of fact up until 1943, the policy held by the Liberal party with respect to the wheat board and that held by the Conservative party were almost identical. There was practically no difference whatsoever in their approach. The following remarks were made by the hon. member for Provencher as reported at page 1035 of *Hansard* for February 6, 1957:

> The whole record of what took place in 1935 is available for anybody to see. The question that arises is why would the Conservative government actually enact any legislation at all in 1935 if they did not believe in it? The truth of the matter is that in 1935 the Tories had no sympathy with the compulsory board in the first place, and they tried, apparently as they are trying now, to put the blame for their failure on the opposition.

This seems to me to be a case of the pot calling the kettle black. What was the advice offered by the members of the Liberal party who formed the opposition in 1935? I have here a statement made by the present hon. member for Portage-Neepawa (Mr. Weir) who was the then hon. member for Macdonald, as it appears on page 3633 of *Hansard* for June 13, 1935. This was the time when what was known as the grain board was being debated in the house. After having indicated that he would vote for the second reading of the bill in order to get it into committee, the following is the advice that was offered by the hon. member. He said:

> At the same time I would hesitate very much to endorse a proposition whereby, at this stage of the game, a permanent compulsory pool organization or board should be established and set in motion to conduct the wheat marketing affairs of the country for years to come. I dislike to see the government go into the grain marketing business.

This was the stand taken not only by the hon. member for Portage-Neepawa but also by other hon. members of the opposition of that day including the leader of the opposition, the late Mr. King, when he stated, as will be found on the same page of *Hansard*, these words:

> Especially do we reserve our right to regard this measure as one to deal with a present situation, an emergency situation, and not as necessarily establishing a permanent policy.

As one reads the debate that took place in 1935 one gets the strong impression throughout the record in *Hansard* that neither the government of the day nor the opposition of the day was at all prepared to accept the principle of orderly marketing of grain through a grain board, or through a wheat board as we refer to it today. Both the government and the official opposition of that

day regarded this as a sort of hasty experiment at that time which was necessary to meet an emergency situation and then to be got rid of as quickly as possible after that.

Mr. Mang: We are extending it five years now.

Mr. Zaplitny: Yes, I will come to that in a moment. In his introductory remarks the minister pointed out that in September, 1943 a significant and important change was made in the whole set-up of the Canadian wheat board making it the exclusive marketing agency for all wheat in western Canada. He gave the reason for that change and at page 889 of *Hansard* for February 1, 1957 stated:

> When the open market was below the initial price, producers delivered practically all their wheat to the board. From the point of view of a successful marketing operation by the board, this was a most unsatisfactory position. In a sense it was a sort of "heads I win, tails you lose" proposition.

That is the reason the minister gave for that change. But let me go back to 1935 again and see what sort of advice on that very point was offered by the present hon. member for Portage-Neepawa, the then member for Macdonald. He said, as reported at page 3633 of *Hansard*:

> My feeling at the moment is that if we could establish a grain board which would be in a position to take offers when the market fell below a certain point, and when the market was above that figure for everyone interested in the handling of grain to be free to market in whatever way they saw fit, we would have the most satisfactory arrangement.

Here we have almost the same words used in reverse. Here the spokesman for western Canada of the Liberal opposition of the day said that the most satisfactory situation would be to have the kind of power which would exist only if the price on the open market fell below a certain figure.

Mr. Jutras: We never pretended otherwise.

Mr. Zaplitny: Do I understand then, Mr. Speaker, that the hon. member indicates the policy of the government is still the same?

Mr. Jutras: You are talking about 1935.

Mr. Zaplitny: Well now, Mr. Speaker, the hon. member said they never pretended otherwise and I want to know if the policy of the government remains the same.

Mr. Jutras: Perhaps I may help the hon. member—

An hon. Member: Sit down.

Mr. Jutras: Who said sit down?

Mr. Hansell: Someone back there.

Mr. Jutras: I never try to argue that the Liberals in 1935 were not in favour of the compulsory board. The point I was making is that the Tories now try to pretend they approved of the board in 1935 and they did not. That is my whole point.

Mr. Zaplitny: Well, Mr. Speaker, I am glad to have the hon. member clear that up. However, I would like to ask the hon. member this question, and if he wishes he can make a reply. Does he at the present time hold the same view as was held by the Liberal party in 1935 with relation to the wheat board?

Mr. Jutras: You know the answer to that one too well to even ask about it.

Mr. Knowles: The answer is that the Liberals changed when they crossed the floor.

Mr. Jutras: The answer is in the bill that is before the house. What more do you want?

Mr. Zaplitny: What happened in September of 1943, Mr. Speaker, which caused this revolution in the thinking of the government of the day? Since 1936 when they came back into power they apparently have been prepared to carry on under the system which had been set out in the quotation I read from the speech made by the hon. member for Portage-Neepawa. However, a significant event took place in 1943 which was skipped, and wisely so, in the review made by the hon. member for Provencher. They had made no change up to that time, but in 1943 they did. A most significant thing took place in 1943 which was skipped, as I say, by the hon. member for Provencher. During the summer of 1943, I think it was in August, two by-elections were held in western Canada, one in Selkirk and the other in Humboldt, I believe both on the same day.

Mr. Howe (Port Arthur): Do we have to have this, a discussion of by-elections in 1943? What has this to do with the bill?

Mr. Zaplitny: It has quite a bit to do with it. I have just referred to the minister's words when he pointed out that the situation was not satisfactory and that it was changed in 1943. This was one of the big issues at that time on the prairies. I remember it very well because I took part in one of those by-elections. The Liberal candidates in both ridings expressed their support of the policy which had been followed up to that time and were completely opposed to the present set-up of the Canadian wheat board. They were quite satisfied to leave it to the open market when it reached a certain price. The farmers expressed themselves very decisively in both ridings, so much so that both the Liberal candidates lost their

deposits and the C.C.F. candidates were elected. Since that time the policy has changed.

I point out that, simply because hon. members on the government side of the house point out that the policy of the official opposition in connection with the wheat board is one of lukewarmness and unreliability. It is quite well to remember that their policy was quite the same until they were forced into a different position. I refer also to the remarks of the hon. member for Moose Jaw-Lake Centre which are reported on page 917 of *Hansard* of February 1 as follows:

> I support with enthusiasm the legislation which is now before us, Mr. Speaker, and I want to tell my hon. friends from Saskatchewan on the opposition benches that there are some members in this house who are not keen about the wheat board because they are a little afraid it may be a socialist measure.

It was too bad that when he was speaking the hon. member did not see fit to identify those members who are not so keen about the Canadian wheat board.

Mr. Thatcher: If you fellows keep on talking this way you are likely to vote this down.

Mr. Zaplitny: Hon. members of this house have a right to vote as they please and if they decide to vote this measure down that will defeat the government and we will have an election that much sooner and perhaps a new member for Moose Jaw-Lake Centre. Since the hon. member has seen fit to interrupt me I would point out that if he is talking in terms of hon. members who are not so keen about the Canadian wheat board because, as he says, it may be a socialist measure, he should identify himself as the first member in that category. There has never been a more reactionary member in this house than the present hon. member for Moose Jaw-Lake Centre. When he says that he enthusiastically supports this bill I would warn the people in Assiniboia to remember the old saying, "Beware of Greeks bearing gifts." In this case they must beware of a Trojan horse carrying a carpet bag.

Certain recommendations have been made by various farm organizations as to how the present set-up of the wheat board could be improved. One was made by the Canadian Federation of Agriculture at its annual convention. One recommendation, as reported in the press, was as follows:

> The meeting endorsed the Canadian wheat board and the international wheat agreement. A resolution was passed recommending the wheat board be permanently established as the sole marketing agency for all grains produced in western Canada, including flax and rye, and that legislation covering the wheat board be reviewed at regular intervals.

That is in line with recommendations that have been made from time to time by members of this group, and again during this debate. We believe that if there is to be orderly marketing the wheat board must be the exclusive marketing agency for grain in western Canada and that it should be a permanent body. We would also include rye and flax in its operations. I find complete unanimity on this point among farm organizations. The Interprovincial Farm Union Council made a presentation to the Minister of Trade and Commerce (Mr. Howe) in December, 1956, which contained this paragraph:

> The membership of the Interprovincial Farm Union Council has, on a number of occasions, gone on record as supporting the orderly marketing of wheat, oats and barley, through the facilities of the Canadian wheat board. At the same time, our membership has gone on record equally as often requesting that flax and rye, too, be placed under wheat board jurisdiction. The basis for this request lies in the favourable experience farmers have had in marketing wheat, oats, and barley through board facilities during the past number of years.

Those are recommendations made by the two largest farm bodies in this country which are in perfect identity with the proposals made by members of the C.C.F. group. We ask the government to give them careful consideration and not just slough them aside. If they do not make a move to carry out those recommendations there will be some serious doubts raised in the minds of members of these organizations as to whether best support of the wheat board on the government side is as strong as they pretend it to be.

Some of the other recommendations we have made have to do with the sale of grain and parity prices. I would summarize our recommendations under six headings. First, as I have already said, we feel this should be a permanent statute. Second, it should include rye and flax along with other grains.

Third, we should be prepared to accept the principle of parity prices. If the government will not go so far as to accept that in connection with all grain handled, it should be accepted at least for grain marketed for domestic use. I am using figures produced the other day by the hon. member for Acadia (Mr. Quelch) and am assuming they are correct. He indicated that in the United States the parity price for wheat was $2.37. The average price paid for wheat in Canada for the 1954-55 pool, after all deductions for expenses had been made, came to $1.44 per bushel. If you subtract $1.44 from $2.37 you arrive at a differential of 93 cents per bushel.

If we applied that differential to the wheat used in Canada for domestic purposes, and certainly no one who is at all reasonable will deny that there is no reason why wheat or

grain sold in Canada should be sold at a price which is not at parity with the prices of other products, and it is only justice that that be done, it amounts to approximately 70 million bushels of wheat which would come to about $65 million. That means that at the present time the farmers have a perfectly justifiable grievance when they say that the $65 million which could be realized, not by selling their grain at excessive prices but simply at parity prices for domestic use in Canada, should be added to the amount of money in the wheat board fund which could then be distributed in the form of dividends or interim or final payments to the producers. I think that the government or parliament generally should be prepared to go at least as far as to provide that the grain which is sold for domestic consumption would be sold at a price which is considered to be a parity price at the present time.

Then we ask that the government should accept the principle of establishing a national grain reserve. I say a national grain reserve to make it clear that I believe this should be the responsibility of the whole nation, both producers and consumers. If we accept the idea that there should be a reserve of grain we should also accept the principle that this reserve should be maintained and financed as the responsibility of the whole nation and not of the farmers alone. It is a fortunate thing that Canada is in the position of being a great producer of grain with a huge carry-over from year to year. It is a fortunate thing for the world, because one never knows when there may be a serious crop failure, or a shortage of food in any corner of the world which will bring people to the point of actual starvation. We are the breadbasket of the world, and if we are to carry out this obligation as a nation, we must not leave it on the shoulders of the producers themselves.

It is not fair to ask the producers of Canada to carry the burden of these huge reserves of grain from year to year. If we accept what I have suggested as a national policy, then we should set up a national food reserve of grain which would be stored and financed by the treasury; the farmers who produce the grain would be paid for the crop they produce and, that having been done, the government would take over. That, in effect, is what is being done in the United States—they are treating the surplus as a national food reserve and then using various means to market that grain both on the domestic market and in countries abroad.

This brings me to the fifth point. We propose that the government should seriously explore ways of obtaining new revenues and export markets. I know that the minister and some of the hon. members on the other side of the house have stated, even in their speeches during this debate, that these methods used by the United States to dispose of its grain were open to question. They have called it a "fire sale".

Mr. Thatcher: A "give-away".

Mr. Zaplitny: That is another description which the hon. member has supplied. I think it is a little shortsighted to approach a well-thought-out program which has proved to be effective and beneficial to the nation and to the producers in the United States, with such an attitude, and to laugh it off as a fire sale or as a give-away. As a matter of fact it is neither one thing nor the other.

Mr. Thatcher: It certainly is.

Mr. Zaplitny: If the hon. member for Moose Jaw-Lake Centre would take the trouble to inform himself of what is actually being done in the United States with regard to the disposal of grain I am sure he would not use those terms. They have a number of ways, in the United States, of applying this plan which I have mentioned, but I will refer only to three of them. One of the ways is by selling grain for local currencies—various currencies.

Mr. Enfield: That is the Mutual Security Act.

Mr. Thatcher: It is giving it away.

Mr. Zaplitny: No, not at all. It is accepting local currencies for the purpose of being able to make a deal which would not otherwise be possible.

Mr. Weselak: What do you do with the local currency?

Mr. Zaplitny: Part of it is held to the credit of the exporting nation to be liquidated by goods to be obtained from the country to which the grain has been delivered.

The other method used to dispose of the grain is intended to promote the expansion and development of the countries concerned—

Mr. Thatcher: Britain won't buy it that way.

Mr. Zaplitny: It is a desirable way in which to carry on trade with these countries. One can call it a give-away or a fire sale, but I think it is a smart way to do business, and since it is the only way in which you can do business with these countries I think it is smart to take advantage of the opportunity.

Some hon. Members: No.

Mr. Thatcher: You have not made one suggestion as to how we could sell more wheat.

Mr. Speaker: Order.

Mr. Zaplitny: I have never objected to interruptions. I rather enjoy them, and sometimes I make them myself, but I would appreciate it if only one member at a time would interrupt so that I could identify who is speaking and reply to what they say.

The other method used is what they describe as disaster or famine relief. That could be called, in some sense, a give-away but the amount so disposed of represents only a very small part of the total grain dealt with under this project.

Another method by which they dispose of a great amount of their grain is in exchange for strategic materials, either from the country to which the grain is shipped or from some other country with which the country of the first part may have a credit. What does all this amount to? I want to point out to hon. members that this is no laughing matter. In the crop year of 1955-56 they have disposed of 156.3 million bushels for local currencies.

An hon. Member: Gave it away.

Mr. Thatcher: At substantial discounts.

Mr. Zaplitny: Using the second method I have described, they disposed of 67.4 million bushels in one phase and 112 million bushels under a slightly different plan. If you limit the figure for famine relief—it is not given, but it can be estimated—to 10 million bushels, you will find they have disposed of a total of 335 million bushels of grain through the commodity grain corporation.

Mr. Thatcher: We exported 309 million bushels for cash.

Mr. Zaplitny: Yes, but these 335 million bushels of grain was over and above what they sold for cash—it is over and above what the United States sold in the course of regular commercial transactions. The hon. member says we have sold about that much for cash, but they have sold by special deals as much as we have sold for cash through these various deals, plus what they have sold in the course of their various commercial transactions.

If my hon. friends do not think that this deserves at least an intelligent investigation —that it does not deserve at least the courtesy of study and consideration on behalf of the producers of Canada, and can simply be laughed off—that would indicate to me that they are not particularly anxious to improve our export situation. And let me say this—

Mr. Byrne: We are going to vote for this bill despite you.

[Mr. Thatcher.]

Mr. Zaplitny: We are going to be faced for years with these surpluses. The pressure is going to become greater and greater on this parliament, and consequently on the wheat board, to find ways and means of improving our export position and I think the least we can do is to give intelligent and serious consideration to these means which I have referred to, and apply that part of the plan which is applicable to Canada under Canadian conditions. If we do that, we shall have done something.

I see my time is rapidly running out. As my last point, I would say this. We have asked, and we ask again, that a system of cash advances for grain be instituted so that the farmers may be put into a position of carrying on their normal operations. We cannot expect them to do this unless we provide some system of cash advances so that farmers can at least get the money required to undertake their normal expenditure.

I thank the Chair for the courtesy it has shown me. I see my time is a little overdue, but I imagine some time has been added on account of interruptions.

Mr. Hahn: Before the hon. member takes his seat, I wonder whether he would answer a question. I dislike guilt by association without the naming of the people who might not support the wheat board. Would the hon. member please indicate whom in the Social Credit party he meant who might not support the wheat board?

Mr. Zaplitny: I do not think I said there were any members to my left who did not support the wheat board as such. What I did say was that not all members of the group regard the wheat board in exactly the same way, and that is indicated by their own speeches. Unfortunately I do not have time to go into the record now to show that but I think I have indicated quite truthfully that not all members of the party to my left regard the wheat board in exactly the same light.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, I rather regret to see a tendency to inject unnecessary politics in a discussion of the wheat board.

An hon. Member: Far be it from you.

Mr. Blackmore: It is far too difficult a problem to arrive at a solution of to indulge in such lightmindedness as playing politics concerning the very important matter of the production, conservation and marketing of wheat. In commencing my remarks I should like to refer to the submission of the Manitoba federation of agriculture and co-operation to the royal commission on Canada's economic

prospects in a 43 page brief that they submitted in the fall of 1955. In short, the general message of their submission was that a continuation of recent trends would spell disaster for agriculture.

It is well to bear in mind who it was who made the submission and to whom they were making it and then reflect that these people solemnly declare that unless the trends in agriculture now in progress in Canada are changed the whole set-up spells disaster for Canadian agriculture. That is not calamity howling. That is the serious, sober message of the Manitoba federation of agriculture and co-operation in the fall of 1955.

I do not propose to go into any considerable detail with respect to what these people had to say but I will quote one short passage from their 43 page brief. This one has to do with the loans which are necessary in order that our farmers may be able to carry on. It reads:

> We are forced to the conclusion that government backing for agriculture loans is essential, and for the maximum diversification and wider spreading of the risks, this must be a nationwide scheme sponsored by the federal government. We favour increased use of Canadian farm loan board facilities with interest rates at the lowest level possible.

I hasten to concede that the Liberal government has gone a considerable distance in the direction of meeting the demands of that statement but I am sure that every hon. member who has given the matter any sober thought is convinced that the federal government has not gone far enough yet. That is all I propose to say in introducing what I wish to talk about tonight.

I wish to say that the Social Credit case with regard to wheat has been put by the hon. members for Acadia (Mr. Quelch), Battle River-Camrose (Mr. Smith) and Bow River (Mr. Johnston).

An hon. Member: And New Westminster.

Mr. Blackmore: I believe that in a general way they have put the whole case completely. They have not done so, of course, in every detail but I support wholeheartedly the cases put forward by these three members, and all Social Crediters will be prepared to do the same with respect to the wheat growers of the prairie provinces. We will grant that the British Columbia members have a problem which was very well indicated by the hon. member for New Westminster (Mr. Hahn) the other day. In my judgment that problem has to be met and dealt with. But the Social Credit program, as the three members whom I have mentioned have outlined, has to do particularly with the well-being of the wheat grower on the prairie farms.

In the first place, we approve of the wheat board. We will all vote for the wheat board. I am sure we all have voted for the wheat board and we have voted for the wheat board without all the frills which I think the Minister of Trade and Commerce (Mr. Howe) tried very hard to imply that we wanted, to add to the responsibilities of the board with the danger of wrecking the wheat board. I think it was quite unworthy of the Minister of Trade and Commerce to make those remarks. He is old enough to know better. I will have something to say about that later.

As I said, we favour the wheat board as the means of marketing wheat, oats and barley and we desire that flax and rye shall be added to the commodities marketed through the wheat board.

We favour advances on farm-stored grain and here, of course, the hon. member for Vegreville (Mr. Decore) and others who are looking for us to bring up something like this, including the Minister of Trade and Commerce, will begin to writhe. But let me specify that these advances on farm-stored grain are to be made directly from a federal agency outside the wheat board entirely. There is no reason why government money cannot be paid out of the consolidated revenue fund of Canada directly, without having the wheat board assume any responsibility with respect to either administration or to the provision of the means of paying. Certainly everyone with a tithe of the experience of the Minister of Trade and Commerce ought to know that. These advances on farm-stored grain would be paid out of the consolidated revenue fund of Canada.

An hon. Member: The old taxpayer.

Mr. Blackmore: Yes, of course, the whole taxpayer, just as the whole taxpayer pays for all they are doing in the United States. If, with the tremendous potential production of the United States, that country with its enormous population finds it wise to pay for the well-being of their farmers, I think we will find that Canada can afford to do the same kind of thing. Here we have France giving special considerations and even Turkey and many other countries economically far inferior to Canada in every possible way. Yet they are able to make payments out of their consolidated revenue funds of money paid by all the taxpayers, just as the taxpayers in the three prairie provinces are contributing generously to the provision of funds with which to pay for a great many other expenses incident to the carrying on of the life of Canada at the present time.

Mr. Johnston (Bow River): Including the seaway.

Mr. Blackmore: As my hon. friend has said, including the seaway, and many other

projects. We are not complaining, and it is high time that the ordinary taxpayer of Canada stopped complaining about trying to help us out in our time of need. That is important to bear in mind. If we cannot face this problem as solid, sober Canadians, what is the use of the Prime Minister (Mr. St. Laurent) talking about unity in Canada? What does unity in Canada mean if it does not mean united we stand and divided we fall with reference to every aspect of our economy and the carrying on of our national life?

The government already has an example of what can be done and the government and the Minister of Trade and Commerce know that it can be done. The government has already agreed to pay storage on all grain in excess of 178 million bushels. Where is the money going to come from? From the wheat board? No, it is going to come from the consolidated revenue fund of Canada. Why cannot the same source be used for the money with which to pay advances on farm-stored grain?

An hon. Member: Take it all, John.

Mr. Johnston (Bow River): We only get what you fellows leave.

Mr. Blackmore: That is the second thing. Now for the third one, and this is an exceedingly important matter. It is that we make provision for adequate, approved storage facilities on the farms and that that provision shall also be made out of the consolidated revenue fund and not through the wheat board. We do not expect the wheat board to build the great terminal elevators the government build. We do not expect the wheat board to build the elevators all over the land including the pool elevators that are built. They are built by other agencies. Approved farm storage, which in my judgment ought to be on every farm in Canada where the farmer so desires it, ought to be built through a fund which will not be a responsibility of the wheat board but which will come either directly out of the Bank of Canada or out of the consolidated revenue of Canada, whichever one the government sees fit to use.

This matter of approved farm storage is exceedingly important for several reasons. I think nearly everyone who has given careful thought to the agricultural problems of Canada, as have most of the hon. members in this chamber in all parties, realizes that the time is coming before long when many of the storage facilities which we now have, like pool elevators and the various line elevators, will have to be renewed. They are wearing out. Already the interest on the capital invested in those facilities is so heavy that it raises the cost of storage to the farmer so high that it is almost crushing him. When those facilities come to be rebuilt, unless some most unforeseen thing occurs, they will be rebuilt at costs at least three times as great as were the costs when they were first built, and the interest on all that capital expenditure will be added to the burden which now rests on the farmer, in the matter of storage of his grain, as another additional crushing weight to squeeze out what little bit of economic life there still is in him.

We cannot afford to disregard these matters. If we can get approved farm storage built on the farm and so manage that the farmer himself comes to own those storage facilities, then we shall be on the way toward a situation in which we can overcome much of this onerous burden of interest which now is resting so heavily upon our farmers. I therefore repeat that we want approved farm storage on the farm wherever the farmer so desires.

We want parity prices on grains. Of course that involves subsidies. Let not the Minister of Trade and Commerce (Mr. Howe) nor any of his cohorts rise and say that there is another proposal that will wreck the wheat board. It will do nothing of the sort. The money which will pay those subsidies to produce parity prices will come once more out of the consolidated revenue fund; yes, it will come out of the taxpayers just as those special subsidies which pay high prices for the grain produced in England—little England burdened and beset with all manner of trouble—come out of the taxpayers. The taxpayers are glad to pay those subsidies.

Some hon. Members: Oh, oh.

Mr. Blackmore: Yes, they are. Every taxpayer that is informed and not deluded by a lot of silly socialism is glad to pay. Every taxpayer realizes that every bushel of wheat that can be produced in Britain is one more step in guaranteeing that he will be able to eat in time of sore trial, and that is no small consideration. He has been through it twice. He has been through two times of sore trial when he was not more than about two weeks from starvation: in world war I and in world war II. Do not imagine that he wants to be in such danger again. I therefore do not hesitate to suggest that the general taxpayer in Canada should pay in order to subsidize so as to give the farmers a fair price.

The hon. member for Acadia (Mr. Quelch) pointed out that when the manufacturers in Canada of machines that the farmers must have take it into their heads that they will advance the price of machines six per cent—as they did two years ago—they do not ask

the government for permission to do so—or if they do so, it is all behind the scenes—but they advance that price, and what do they do? They take it out of the taxpayers of Canada just as easily as falling off a log and the general taxpayers of Canada pay.

An hon. Member: They pay money in higher wages.

Mr. Blackmore: They pay in all sorts of ways. When the price of steel was advanced in 1946, with the direct consent of the government and maybe of the Minister of Trade and Commerce, by $5 a ton, did the Canadian people as a whole have anything to say about it? Not a word. It was just done, and the cost of producing all over Canada was raised by an enormous amount just by that simple move that those people made, just as simply as a raindrop would fall from heaven. The Canadian taxpayers paid it directly and indirectly, and they are still paying it. Then the steel workers struck and remained on strike for 82 days in order to get their share of the $5 a ton. They finally got their increase in wages and the increase in wages finally went across all Canada and everybody in Canada paid it—every taxpayer—and is still paying it.

We must be realistic in approaching all these matters. Hence I say we want parity prices. We want the subsidies to be paid out of government revenue and not by the wheat board. Social Credit advocates a parity price of $2.37 per bushel for domestic market wheat and we want a fair price on the wheat that is sold abroad. I do not propose to go into any detail with regard to that matter at the present time.

We in my constituency and we Social Crediters as a whole approve the present international wheat agreement. We do not feel that the price was high enough but we believe in international wheat agreements. We approve of the one which has already been negotiated and under which we have been carrying on for some time now.

In my constituency, and generally throughout the prairie provinces, there is great dissatisfaction with the allocation of box cars at the present time. The blame for this situation is not to be laid at the door of the wheat board as many hon. members, including the hon. member for Vegreville (Mr. Decore), truthfully pointed out. Of course it is none of the Wheat Board's business. They are not charged with the responsibility of providing box cars. Just what are all the reasons behind the difficulties from which we have suffered for several years now in respect of box cars it would perhaps take almost a royal commission to determine because there is a great deal of disagreement concerning the matter. But nevertheless, whoever is responsible for seeing that those box cars get out there so that the farmer can sell to the elevator of his choice, he should be getting into action and producing results at the earliest possible time; and we are so demanding through this speech that I have now been giving, or at least my constituency is doing so.

We insist on the maintenance of the Crowsnest pass agreement undisturbed and unaltered. We hear so much talk about a proposed modification of that Crowsnest pass agreement that it makes us furious every time we think about it. We do not want a change even to be thought of.

That is all I propose to say at the present time in a general way in supplement of what has already been said by the three members whom I have mentioned as being spokesmen for the Social Credit position.

Before taking my seat I wish to say that there is a good deal of debating among farmers in my constituency who are affected. There are some of them who speak through the interprovincial farm union, and some of them who speak through the Alberta wheat pool. There are others who speak through the Canadian federation of agriculture, I suppose. Before I take my seat I propose to read the proposals that have been made by the Alberta wheat pool delegates during the past year. I am reading from the Alberta Wheat Pool Budget of January 18, 1957, at page 2:

> A number of policy resolutions were passed at the 34th annual meeting of the Alberta wheat pool delegates which indicate their stand on many matters pertaining to grain marketing. In most cases they were re-endorsements of previous policy. They were:
>
> 1. Support of the Canadian wheat board as the sole marketing agency for western Canada grain and expression of appreciation of the present operations.
>
> 2. Renewal of pressure to have flax and rye marketed by the Canadian wheat board made even more urgent since both grains are on quota.
>
> 3. Approval of the present international wheat agreement.
>
> 4. Commendation of the government's action in concluding wheat deals with iron curtain countries in line with requests from wheat pool delegates, last year, "that aggressive sales policies be adopted in all countries, including those behind the iron curtain," and recommendations that this market be further developed.
>
> 5. Approval of the government's undertaking to assume carrying charges on part of the surplus wheat stocks, this being partial fulfilment of last year's request from the delegate body.
>
> 6. The recommendation of a domestic price for wheat of $2 a bushel, the ceiling of the present international wheat agreement.
>
> 7. A reinstatement of their insistence that the Crowsnest pass agreement must not be disturbed or altered.
>
> 8. Instructions to the board of directors to continue, with every means possible, the campaign to have box cars allocated to elevators on the basis of the farmer's choice.

9. Urge that the government offer inducement to farmers to take land out of wheat acreage and plant it to a soil-building crop. They suggested that a representative committee of governments and farm organizations be set up to draw up a plan.

That, Mr. Speaker, is the end of my contribution to the discussion of wheat thus far in the year 1957.

Mr. Deputy Speaker: Is the house ready for the question?

Mr. Howe (Port Arthur): Mr. Speaker—

Mr. Deputy Speaker: Do I understand that the hon. member for Comox-Alberni is rising to take part in the debate?

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I did feel that I would like to say a few words in the debate. The house will realize that I do not profess to be any authority upon the matter of the wheat board; but as I listened to the genial member for Bow River (Mr. Johnston) speak this afternoon I must confess that I found myself rather puzzled at the way in which the members of the Social Credit group, including the hon. member for Bow River, appear to be able to speak out of both sides of their mouths at the same time.

Having listened to a number of speakers on the subject of wheat marketing in this house, I recognized that there was some similarity in some of the things which the hon. member for Bow River was saying to some of the arguments which are advanced by the members of the C.C.F. group in this house with respect to wheat policy and the wheat board. I am quite sure that the hon. member for Bow River, and the other members of his party who have spoken in support of second reading of this bill, were quite sincere in putting forward the views that they have expressed.

Mr. Wylie: Thank you for the compliment.

Mr. Barnett: But the thing that puzzles me is the rather neat way in which they are able to keep their thinking in separate compartments in relation to different aspects of the life of the Canadian people.

Mr. Wylie: If you had one compartment you would be lucky.

Mr. Barnett: I recall that some little time ago I listened to a speech delivered in this house by the hon. member for Macleod (Mr. Hansell). It seems to me that if the hon. member for Bow River and the hon. member for Macleod were consistent the sentiments expressed on that occasion by the hon. member for Macleod would be the sort of things that one would expect to hear him and the hon. member for Bow River say in relation to the passage or otherwise of the bill that is now before us. I am referring to a speech which the hon. member for Macleod made in 1955, which will be found at page 314 of *Hansard* of that year. On that occasion he was making some comments on the policies of the Liberal party and of the C.C.F. party, and he was suggesting that the Liberal party in some ways was just a little smarter than the C.C.F. party.

Some hon. Members: Oh, oh.

Mr. Barnett: I would not agree with that. He had this to say:

They are a little smarter than the C.C.F., because the C.C.F. wear heavy clog boots when they propose something, letting everybody know they are coming.

At that point *Hansard* records that the hon. member for Cape Breton South (Mr. Gillis) interjected, "honest, honest". Then the hon. member for Macleod went on to say:

But the Liberal party are smarter, because they put on their socialist carpet slippers and creep up on the public. Eventually socialist legislation is put on the statute books, and some time after the people suddenly awaken to the fact that they have been engulfed in a sort of socialistic welfare state, without their knowing it. The Liberals give us socialism by stealth; that is the difference between the parties.

An hon. Member: Read on.

Mr. Barnett: I am sure that the house might be interested in being reminded of some of the ensuing remarks and interjections that were made in the house on that occasion, but I think I have read enough of the speech of the hon. member for Macleod to illustrate the point I have in mind.

As I understand the idea behind the Canadian wheat board, it is to establish, under the responsibility of the government of Canada, an agency for the orderly marketing of Canadian grain. There may be some other aspects to it that I have not yet been able to comprehend, but essentially that is what I understand it to be. That is why I am surprised that people like the hon. member for Bow River and the hon. member for Macleod on other occasions—we will just say simply the members of the Social Credit party—

Mr. Johnston (Bow River): You are not right in either instance. The remarks you have just read have nothing to do with the wheat board.

Mr. Barnett: That is why I am surprised that when they come to a discussion of having the government handle and look after the farmer's grain in the province of Alberta they are prepared to go along and support the ideas that are supported by people they call socialists in this house.

Mr. Johnston (Bow River): Heaven forbid!

Mr. Barnett: As far as any other aspect of our Canadian life is concerned, they are perfectly prepared to throw the rest of the Canadian people to the wolves of what they call free enterprise. I think it is about time they began to straighten out their thinking on some of these matters. It is all very well for them to come to this house and set themselves up as a little farm pressure group representing the interests of a certain group of farmers in one province of this country. They may think it is all right for them to do that on the one hand, but when it comes to supporting any other constructive proposal which involves action through the medium of the government of Canada, then they of course are quite loud in their declamations of their adherence to the principle of free enterprise.

Mr. Wylie: Are you talking about the wheat board?

An hon. Member: He would not know.

Mr. Barnett: Mr. Speaker, I am speaking in support of the bill that is before the house.

Some hon. Members: Hear, hear.

An hon. Member: Which bill is it?

Mr. Barnett: I support the views being put forward by hon. members of the C.C.F. group who represent grain growing areas of Canada.

Mr. Wylie: They don't all do that. What about the hon. member for Kootenay West (Mr. Herridge)? He doesn't.

Mr. Barnett: One of the reasons I am in full support of the policies they have been advocating is that I know they are doing so not simply as a little pressure group from a certain segment of the country but because they believe this is the kind of legislation that will contribute to the welfare of the Canadian people and are prepared to support the application of similar principles in respect of other economic and geographic regions of the country.

Earlier this evening an article came to my attention which is to be found at page 19 of the Vancouver *Province* of Monday, February 4.

An hon. Member: In connection with the wheat board?

Mr. Barnett: It is entitled, "Why lumbermen grind their teeth". Among other things the article sets forth that British Columbia lumber exports in 1956 dropped by 371,034,908 board feet over 1955, from 1,016,824,698 to 645,789,790. Domestic shipments fell by 51,363,570 board feet in the same period from 395,234,257 to 343,870,687.

An hon. Member: He is talking sawdust now.

Mr. Johnston (Bow River): Is that first grade lumber or second?

Mr. Barnett: I am not suggesting, Mr. Speaker, that the wording of the present bill should be changed to read "The Canadian wheat and lumber board".

Mr. Gillis: What would be wrong with that?

Mr. Barnett: However, I wonder what the attitude of my Social Credit friends would be if the situation should develop in the lumber export business of British Columbia where some sort of approach by the government of Canada, perhaps somewhat in the same direction as has been made in respect of the marketing of wheat, were required to ensure the continued and stable marketing of the lumber products of British Columbia.

Mr. Harrison: You have that in Saskatchewan and we don't want it.

An hon. Member: Do not forget to mention fish, too.

Mr. Barnett: I think the house should be entitled to some more balanced expression of the views of the Social Credit party as to why they are prepared to endorse this particular kind of legislation if they propose a similar move in a field other than the one under discussion.

Mr. Patterson: We would be satisfied to have even one balanced expression from the C.C.F. party.

An hon. Member: Carried.

Mr. Barnett: I think perhaps some hon. members of the Social Credit group who have what I believe is a genuine concern for the welfare of the farming population of Alberta should look a little deeper into their relationship with the political thinking of the people who go under the same political label in the neighbouring province of British Columbia. I am somewhat afraid that before too long they are going to find it increasingly difficult to reconcile the proposal they are now supporting with the general policies that are being advanced in many quarters within the same political group.

Mr. F. D. Shaw (Red Deer): Mr. Speaker, it occurs to me that it must be obvious to the house that the hon. member for Comox-Alberni (Mr. Barnett), who has just finished speaking, does not know too much about wheat. I think it is obvious to all that he should have stuck strictly to—

An hon. Member: Nuts.

Mr. Shaw: —the field where he is probably better informed, namely that of fishing. Some of the extracts from *Hansard* which he endeavoured to tie in with this debate were probably just as unrelated to the facts before us as was his reference to lumber.

In spite of the fact that several hon. members of the C.C.F. party have striven to create the impression that we in this group are not in support of the Canadian wheat board as the sole marketing agency of wheat I wish to underline what should be known to all hon. members, namely that throughout this debate and throughout the years gone by we have supported the Canadian wheat board as the sole marketing agency for Canadian wheat, and no attempt on the part of socialist members can create an impression that is otherwise.

My purpose in rising, Mr. Speaker, is to make specific reference to only one matter, the position of transport controller. This is an aspect of the whole matter of the Canadian wheat board and wheat marketing that is of particular concern to us. I listened with interest to the Minister of Trade and Commerce when he referred to the position of the transport controller as being completely untenable. I have thought about that expression very frequently since the minister made the statement and I would ask if in the course of closing this debate he would elaborate upon the statement he made on February 1. Does he mean that the transport controller has found through his experience he cannot face the members of the Canadian House of Commons in the agriculture committee?

Mr. Harrison: He cannot meet their requirements.

Mr. Shaw: If I may use the term, I would say that describing the position of transport controller as untenable is completely unflattering. Is it a reflection upon the courage of qualified Canadians who, if asked, might accept the appointment? I ask the minister to let this house know if anyone has been approached and offered the appointment of transport controller since Mr. Milner's resignation became effective December 31. We know that the position of transport controller must be a difficult one.

An hon. Member: It is.

Mr. Shaw: He is caught between the wheat board, the farmers, the railways and—

An hon. Member: The C.C.F.

Mr. Shaw: —government policy. I would like to know if these conflicts were actually reflected in the questions that were asked by hon. members in the agriculture committee and if it was those questions which did in fact cause the transport controller to resign. It seems to me there must be something deeper involved in this than we have yet learned. It is not the first time that an official has been called before a committee of this house and subjected to rather severe cross-examination, but we find very few officials resigning as a consequence of that. Was Mr. Milner dissatisfied with government policy? Did he find inadequate the powers granted to him as transport controller by this government?

We feel we should have an answer to that question. Did he resign to take another position such as the chairmanship of the board of grain commissioners? The minister has said that the position is completely untenable. Is he suggesting that the position of controller and action taken by the controller should be beyond the criticism of the agriculture committee of the House of Commons? I would ask the minister finally to tell us once and for all whether he considered the position of transport controller necessary? Does the Minister of Trade and Commerce, does the Department of Agriculture, does the government as a whole actually consider the position of transport controller necessary?

At this stage we have reason to believe that such an appointment is necessary. The minister has said the position is untenable. We do not know whether anyone has been approached. As far as I am concerned personally I am quite in the dark with respect to this whole thing.

I am hoping the minister will deal in detail with these things. Before sitting down may I emphasize again that we have supported the Canadian Wheat Board Act and the Canadian wheat board as the sole marketing agency, but that does not mean that at all times and under all circumstances we agree with the prices being paid for farm grains. We do recognize that it has brought a degree of orderliness into the marketing of these farm products.

I rose principally to ask these questions with respect to the transport controller and I think before we pass this bill we should be given the answers.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I wanted to make a few remarks.

Mr. W. M. Johnson (Kindersley): Mr. Speaker—

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

Mr. Howe (Port Arthur): I had hoped that we could get this bill through committee tonight.

Mr. Deputy Speaker: Do I understand that the hon. member for Kindersley is on his feet and wishes to speak?

Mr. W. M. Johnson (Kindersley): Mr. Speaker, I was on my feet when the minister rose. I am pleased to take part in this debate and I was waiting to see if other government members from Saskatchewan would display their enthusiasm for the principle of orderly marketing. It is apparent however that their interest in this matter is limited indeed.

I am pleased to take part in this debate because it gives us in this group an opportunity to try to convince members from all parts of Canada of the desirability of maintaining the system of orderly marketing which we have finally achieved through the Canadian wheat board. This is an example of what can be done by government planning. It is in marked contrast with the system which the government allowed to prevail before the introduction of a compulsory board. The system of marketing under the Winnipeg grain exchange was indeed chaotic and left the individual farmer to the mercy of the speculators and the returns he received for his product bore little or no relation to the cost of production. The returns we get from our wheat still bear no relation to the cost of production, but one result of this system of orderly marketing has been a stabilizing of prices so the farmer may know within the crop year what price he can expect to receive for his products.

I wish members of the government were as forthright in their request for orderly marketing schemes as the C.C.F. have been. As was pointed out by the hon. member for Dauphin (Mr. Zaplitny), this has been a C.C.F. policy since its inception. We have heard some idiotic remarks to the effect that the C.C.F. are attempting to sabotage the wheat board. If there is anyone in the house who can document that statement, who can give a quotation from *Hansard* indicating a statement of policy by the C.C.F. against the principle of orderly marketing by the Canadian wheat board, I would be only too pleased to have him put it on the record.

If the government were honestly convinced that this principle of orderly marketing was desirable I would expect that they would attempt to encourage it in other fields. I submit that the principle of orderly marketing which we have achieved for our grain could be extended to livestock, but I have noticed on past occasions when members of this party have attempted to have the orderly marketing principle extended to livestock we were vigorously and vehemently opposed by the government, the so-called champions of this system of orderly marketing.

They could have brought in provisions for a poultry marketing board which would have taken care of the serious and violent fluctuations in poultry prices which presently exist and which are apparently beyond the capabilities of this government to resolve.

If this government was dedicated to maintaining this principle of orderly marketing it certainly would have included flax and rye and thus extinguished for all time the Winnipeg grain exchange which has preyed on the farmers of Canada for the past number of years.

Indeed, if the government was honestly interested in maintaining this system of orderly marketing it would carry out the suggestion made by all speakers in this party and make the legislation permanent. It would put it on the statute books of Canada so that we would not run the risk of some future government which was not in favour of this principle of orderly marketing taking it off the statute books.

The system of orderly marketing which we have under the Canadian wheat board is able to operate only within the legal terms defined by this government. Its operations are continually complicated by the barriers which this government puts up to confound it. I think we can well imagine the ease with which the Canadian wheat board could operate under the administration of a government which believed in economic planning for the benefit of all rather than a privileged few. We find that the only political party in this house which believes in organizing our economy for the benefit of all rather than for the privilege of a few is the party to which I belong.

It has been stated that one of the reasons—indeed the Minister of Trade and Commerce (Mr. Howe) has said it is the sole reason—for our large carryover is the series of bumper crops we have had in western Canada. Only recently be made reference to the decline in wheat acreage which has occurred, but he did not take any credit for that. I would point out to the minister that that decline came about because farmers have been forced out of the production of wheat. Many of those farmers have land suited to the growing of wheat and since we have achieved a system of orderly marketing through the Canadian wheat board for our wheat it is only natural that they will tend to follow that production which has reasonable security.

How much better it would be, and how much simpler it would be for the Canadian wheat board, if we had a government agricultural policy which would give the same stability and security to farmers who are

raising livestock, poultry, and other grains. If we had an indication of what prices we could expect in the future, we would then be in a position to plan our production. The dominion-provincial agricultural conference specifically has this function. But, Mr. Speaker, this conference meets each year; the members carefully divulge their platitudes to each other, the federal government, under the leadership of the Minister of Agriculture (Mr. Gardiner), supplies various quantities of figures to prove various contentions, and the net result is a complete lack of guidance to the farmers of western Canada. The Interprovincial Farm Union Council has suggested and requested that this conference should make some concrete proposals to guide farmers in their future activities.

I think this could also apply to other aspects of government policy. We experience these bumber crops, and we have the largest carry-over of wheat on record. The hon. member for Dauphin (Mr. Zaplitny) put on record some of the solutions which have been offered by this party, but I would like to point out again that the wheat board is only as effective in disposing of this grain as government trading policies will allow it to be. If our trade policies are continually geared to a deficit, how can we expect to sell wheat on a very competitive market in anything above the present quantities.

These are some of the barriers which this government is putting in the way of orderly marketing by the Canadian wheat board. They have, moreover, refused, in the face of demands from farm organizations of western Canada, to introduce a system of cash advances to allow individual farmers to have some return with which to operate their farms. We went over the subject very thoroughly last year when the government proposed its bank loan legislation—legislation which has been a complete and unequivocal failure. It has been a failure because it does not supply the needs of the farmers.

The Minister of Trade and Commerce has stated that the wheat board should not operate a system of cash advances. I think he has assumed we are requesting that the present officials of the Canadian wheat board should assume this responsibility; but he will be the first to admit, from his experience of the operations of the Canadian wheat board, that a system of cash advances must be operated in very close co-operation with the wheat board, and be an agency of government established in conjunction with it.

The purpose of this proposal is, of course, to allow farmers from different areas to have the same opportunity to get a return from their grain. It is most unfair for a farmer in one area to have a four-bushel or five-bushel quota when a farmer not many miles away has a unit or a one-bushel quota. The purpose of a cash advance is to equalize these returns. If a man is denied the privilege of delivering his grain to the elevator, he should have the privilege of receiving the same money for that grain as if he had a box car available to deliver it.

While I am dealing with this subject of box cars and quotas, I should deal for a moment with the largest barrier that this government has set up in the way of the Canadian wheat board. The Minister of Trade and Commerce stated in his opening remarks that the Canadian wheat board is a marketing agency. I would agree with that definition. But I would ask the minister why they have saddled the Canadian wheat board with the onerous responsibility of distributing box cars. They have saddled the board with this responsibility because of their dismal failure with regard to appointing a man as transport controller to ensure that cars are distributed. I recall that last year, when we were discussing the bill to extend the powers of the transport controller, it was indicated that the responsibility of the Canadian wheat board was to allocate shipping orders, but that the responsibility of seeing box cars were available to fill those orders rested with the transport controller—the more arduous task of the two, perhaps.

Yet now we have this post left vacant since the former transport controller, Mr. Milner, moved on to a higher position with the board of grain commissioners. Mr. Speaker, I do not think it is a very satisfactory situation to find the government hiding behind the criticism which has been directed at the former transport controller in justification for its refusal to appoint a new transport controller. It is apparent that the resignation of the former transport controller was prompted by the differences of opinion which he had with the Canadian Pacific Railway. I vividly recall the meetings of the agriculture committee when the C.P.R. gave its evidence before the members of that committee. The failure of the government to appoint a transport controller to direct the movements of box cars along these railway lines to marketing points is an indication of the complete submission of this government to the Canadian Pacific Railway Company.

There is evidence, Mr. Speaker, that the situation is not as rosy as many members on the government benches would have us believe as far as the quota position is concerned. The Minister of Trade and Commerce stated last year that preference would be given to those points which were unable to deliver the same quota as other points, which indicated

that at the end of the last crop year some farmers would be able to deliver seven bushels an acre, and others would be confined to four or five bushels to the acre. They used as an excuse for that the desirability of getting the class and kind of grain required into position. They needed that excuse because the transport controller was not using his powers—or, should I say, the government was not seeing that the transport controller used his powers to ensure an equitable distribution of boxcars.

I had a resolution sent to me from the Hazlet branch of the Canadian Legion which is an accurate interpretation of much of the thinking of farmers at these low marketing points, and since it is very short, I would like to place it on the record. It is a resolution passed unanimously at a meeting of branch No. 202 on January 10:

> Whereas the Minister of Trade and Commerce the Hon. C. D. Howe stated at the close of the 1955-56 crop year that points on low quotas at that time would be given priority for quotas and boxcars in the new crop year and—
>
> Whereas the quota at the close of the 1955-56 crop year was five bushels per seeded acre at Roseray and six bushels per seeded acre at Hazlet, and
>
> Whereas the quota on January 10, 1957, is one bushel per seeded acre at Roseray and two bushels per seeded acre at Hazlet we resolve that—
>
> quotas be increased and boxcars allocated to these points immediately to bring deliveries up to a par with stations which had seven to eight bushel quotas at the close of the last crop year, many of which are on a three to four bushel quota at this time.

Mr. Speaker, when we have a situation like this occurring in the country, who gets the blame? The person who gets the blame is the person saddled with this responsibility, and some criticism is directed at the Canadian wheat board because of the boxcar distribution—through the failure of this government to appoint a controller to take this heavy burden of responsibility from the shoulders of the Canadian wheat board.

I have given indication of the stand of this party with respect to the system of orderly marketing. I have given some indication of the obstacles the government is continually placing in the way of a continuation of the system of orderly marketing. I say to the minister and the other members of the government that action must be taken to make the Canadian Wheat Board Act permanent legislation and to include rye and flax under the operations of the board so that in spite of the indifference of the government we will have a complete example of how orderly marketing can be effective in the Canadian economy.

I should like the government to give consideration to extending the system of orderly marketing to the other fields I have enumerated. As we proceed with such a program in conjunction with a sensible over-all agricultural policy I think we will achieve some measure of relief to lift the farmers out of the cost-price squeeze in which they find themselves today. The problem is increasingly serious. Farmers become critical of the supply of box cars. They become critical of the quotas because of the pressure put on them as the result of their limited deliveries.

Government policy in allowing inflation to run away and in allowing the cost of production to rise is just as responsible for any discontent existing among the farmers as limited deliveries. If the prices of goods and services had been maintained at a proper level I think the farmers would be able to operate on a quota of seven or eight bushels an acre. At least they would have been able to survive. As it is now, with limited quotas and severe inflation in all aspects of our economy, it is most difficult for them to make ends meet with limited deliveries and the low prices they receive.

My colleagues have placed on the record other aspects of C.C.F. policy in connection with the orderly marketing of our grain. I do not think I need to repeat them now but I will look forward to hearing the minister state the attitude of the government with respect to the early appointment of a transport controller, making the wheat board legislation permanent and the inclusion of flax and rye under the operations of the board.

Mr. Thatcher: You still have not told us how to sell more wheat.

Mr. E. G. Hansell (Macleod): Mr. Speaker, before the debate concludes I should like to say a word because I come from a wheat-growing section of the country. I have also attended a good many farmers' meetings, have carried on a good deal of correspondence with respect to wheat-growing problems and have received numerous resolutions from time to time. The bill now before us gives us an opportunity to speak about the operations of the Canadian wheat board and to say whether or not we are in favour of the continued life of the board.

I am quite certain that the wheat-growing farmers of Canada are almost unanimous in their desire to have the Canadian wheat board continued. Wherever I go I find that this desire exists. There is the odd occasion when some may say that they wish we could go back to the type of wheat marketing we had before the board took over all deliveries of wheat.

I recall being at a farmers' meeting a number of years ago. They had their problems. Among their problems was that of

marketing their grain as well as the price they were receiving at that particular time. The chairman of the meeting was the reeve of the municipality and it happened that the reeve was a very good political supporter of mine. I do not know whether or not I made any remarks which left a wrong impression. I think perhaps I did try to explain that there was another side to the question of marketing wheat which the odd individual may have expressed. However, no matter what remarks I may have made at the time, after the meeting the reeve came to me and in spite of the fact that he was a very good supporter of mine he said "Mr. Hansell, we are glad to know that you support the wheat board but if you ever talk against it in the House of Commons there will be no use of your ever coming into this community again." That was said by a man who knew what he was talking about and I think he was only expressing the opinion of almost 100 per cent of the farmers of that community.

I believe that the reason the farmers want the continuation of the wheat board is that it does tend towards a more orderly marketing policy. The farmer is not left altogether to chance. Not only does it offer a more orderly marketing policy but it puts the farmer in a position where he is a little more certain of his future. He is not dependent upon fluctuations which might occur on the open market and might occur by reason of design. He knows that his wheat will be sold. He knows there will be a payment coming along and he knows that in the long run there is more stable marketing and a more stable income for him.

There is one point that we must remember. We cannot blame the wheat board for that which sometimes appears to be impossible for them to do. We must recognize that, while the wheat board is the only avenue through which the farmer can market his wheat, the wheat board must go out into a very competitive world, particularly at a time when there is no international wheat agreement in existence. The wheat board has to go out into what might be termed an open market among the nations of the world. Therefore the board goes out into a competitive market. It may not be able to do all that might be desired and we must not blame the board for minor failures which we might suppose it has made. If the board has not met all the wishes of the wheat grower I do not know that it is always and altogether the fault of the board. It could be by reason of circumstances that exist in the world and over which they have little control.

[Mr. Hansell.]

However, we do know that the world is in need of wheat. Wheat is a very stable food and perhaps the world would starve if it were not for the wheat supplies that come from the farms. The hon. member for Acadia (Mr. Quelch), the hon. member for Battle River-Camrose (Mr. Smith), the hon. member for Bow River (Mr. Johnston), and a few minutes ago the hon. member for Red Deer (Mr. Shaw) and the hon. member for Lethbridge (Mr. Blackmore), and the hon. member for New Westminster (Mr. Hahn), all being members of this group, have placed upon the record a good deal of valuable material as to the position which this group takes with respect to the wheat board, with respect to the farmer's position and with respect to the marketing of wheat generally. I believe the hon. member for Acadia mentioned the fact that the world needs wheat. The Alberta *Wheat Pool Budget* of November 9, 1956, points out that while the world carry-over of wheat is 1½ billion bushels—at that time—the population of the world stands at 2½ billion people; so 1½ billion bushels represents only 36 pounds of wheat per person. In the United States 190 pounds of wheat per person are consumed annually. The annual world consumption of wheat is about 6 billion bushels. So a carry-over of 1½ billion bushels is equivalent to only a three months' supply for wheat-eating nations.

The need for the reserve is further highlighted by a speech made by the North American representative of the food and agricultural organization, Mr. Hambridge. He pointed out that over 50 per cent of the population of the world are underfed and underclothed with millions dying from starvation. Then he made the significant statement that the situation would be bad enough if the people knew that it could not be avoided owing to a shortage of food in the world. But, he pointed out, they know that that is not the situation and they know that there is an abundance of food in the world. Hence they are no longer willing passively to submit to this intolerable situation.

I recognize, Mr. Speaker, the fact that sometimes it may be difficult to find markets but I am rather of the opinion that sometimes that difficulty exists because we are not always willing to take the various currencies of the world. We have two policies to propose. One is that we would be willing to go out into the world and offer credits to other nations who care to take our wheat. That has been done with some other countries. I think I am right in saying that that is the way in which the United States handled a good deal of their surplus wheat. There is no reason why we cannot do the same thing.

The wheat would be taken from the farmers, and the farmers would be paid for it, and we would be paid for it in the currencies of the nations that take our wheat. So in that respect it is not necessarily a wheat-marketing problem as much as it is a financial problem. This government here should embark upon a solution of that particular financial problem.

We advocate also a two-price system. We advocate that support prices should be maintained at 100 per cent of parity for farm products sold in the domestic market and that the surplus products should be sold abroad for the best price obtainable, preferably under some form of international agreement but in any event covered by a support price sufficient to meet average costs of production.

In view of the fact that over 94 per cent of all farm products, excluding wheat, are sold in Canada it would mean that farmers would receive 100 per cent of parity for 94 per cent of their products excluding wheat. In regard to wheat, approximately 80 per cent is sold abroad and 20 per cent is sold in the domestic market. Therefore 20 per cent at parity of, we will say, about $2.27 per bushel or thereabouts and 80 per cent at the ceiling of $1.95 per bushel under the international wheat agreement would give the farmers a support price of approximately $2 or a little over $2 a bushel.

We believe that careful consideration should be given to building up efficient family farms. Right now I want to put in a plug for the small farmer. We believe that we should give consideration to building up efficient family farms. If it is conceded that family farms, in order to make the most efficient use of power machinery, will have to be in the neighbourhood of two sections of average land or one section of heavy land, and if the average annual production of wheat on such farms might be approximately 8,000 bushels of wheat, then we feel that by limiting the support price to 8,000 bushels per farmer we would help to strengthen the family farm. The large operators farming thousands of acres would receive the support price on the first 8,000 bushels and would receive the world market price on the balance.

I see that the clock has moved around to the point of ten o'clock, Mr. Speaker. I believe there are one or two others who wish to speak, but I am not through. I should like to spend the balance of the time that is allotted me to the furtherance of my speech, and I would ask that you call it ten o'clock. I move the adjournment of the debate.

On motion of Mr. Hansell the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: Tomorrow we shall continue with the business that I indicated last evening.

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

Questions

ANSWERS TO QUESTIONS

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

INDUSTRIAL DEVELOPMENT BANK—NEW BRUNSWICK LOANS

Question No. 13—**Mr. Van Horne:**

1. Did the industrial development bank make loans in New Brunswick in 1956?
2. If so, how many loans were made and what was the amount of each loan?
3. How many applications for loans were made?
4. What percentage of the loans applied for were granted?

Answer by: **Hon. W. E. Harris (Minister of Finance):**

Answer provided on Tuesday, January 15, 1957, as recorded on page 290 of the House of Commons *Debates*:

"1, 2, 3 and 4. The only information of government record is contained in the annual report of the industrial development bank which shows that loans to the amount of $1,346,000 were authorized in the province of New Brunswick in the fiscal year ended September 30, 1956".

Corrected answer:

1, 2, 3 and 4. The only information available is to the effect that the industrial development bank authorized 8 loans in the total amount of $1,346,000 in the province of New Brunswick during the fiscal year ended September 30, 1956.

DISABILITY ALLOWANCES, NOVA SCOTIA

Question No. 35—**Mr. Buchanan:**

1. To how many citizens in Nova Scotia was the disability allowance awarded during 1956?
2. What is the total number of citizens in Nova Scotia receiving an allowance under the Disabled Persons Act?

Answer by: **Hon. Paul Martin (Minister of National Health and Welfare):**

1. Records furnished by the province of Nova Scotia show a total of 386 applicants awarded disabled persons allowances in the calendar year 1956.

2. 1,409 as at December 31, 1956.

INDUSTRIAL DEVELOPMENT BANK—NOVA SCOTIA APPLICATIONS

Question No. 43—**Mr. Purdy:**

For the fiscal year of the industrial development bank, ending 30th September, 1956:

1. How many applications for advances were received from concerns in Nova Scotia, and what amount in each case?
2. What was the number and total amount of such applications approved?

Answer by: **Hon. W. E. Harris (Minister of Finance):**

1 and 2. The only information available is to the effect that the industrial development bank authorized 8 loans in the total amount of $400,500 in the province of Nova Scotia during the fiscal year ended September 30, 1956.

FEED GRAIN—FREIGHT ASSISTANCE PAYMENTS, N.S.

Question No. 87—**Mr. Balcom:**

What was the amount of freight assistance on western feed grains paid to Nova Scotia during the year 1956?

Answer by: **Right Hon. J. G. Gardiner (Minister of Agriculture):**

$1,722,509.60.

HEALTH OF ANIMAL INSPECTION, B.C.

Question No. 90—**Mr. Hahn:**

1. How many eviscerating plants receive health of animal inspection in the province of British Columbia?
2. Are they permitted to use the H of A stamp of approval for dominion retail sales?
3. How do the regulations under the health of animals inspection regulations compare with provincial regulations?
4. To what extent has health of animal inspection materially improved in the dominion market, during the past two years?
5. What effect has it had on the sale of birds not so marked?
6. How many processing plants are there, other than health of animal inspected in the province of British Columbia, which are inspected under the British Columbia provincial health act?

Answer by: **Right Hon. J. G. Gardiner (Minister of Agriculture):**

1. There are five poultry eviscerating plants in British Columbia operating as inspected establishments under the federal Meat and Canned Foods Act and receiving veterinary inspection by the health of animals division.

2. The "Canada Approved" stamp, identifying the product of such inspected establishments, must be applied to all carcasses, cuts and packages of meats, including poultry, processed in those establishments, regardless of whether the products are to move in export, interprovincial or local trade.

3. The provincial act provides for standards of plant sanitation, as a basis of accepting a plant under inspection, virtually equivalent to those established under the federal Meat and Canned Foods Act. The provincial act does not make inspection under that act compulsory. The federal Meat and Canned Foods Act, administered by the health of animals division, requires that any plant engaging in interprovincial or export trade must operate as an inspected establishment under that act. Federal inspection is, however, granted on a

non-compulsory basis to any poultry eviscerating plant, doing business entirely within a province, which meets the standards for plant sanitation established under the Meat and Canned Foods Act and regulations. There are no minimum volume requirements for the granting of such inspection.

4. In the fiscal year 1954-55 there were 27 poultry eviscerating plants operating as inspected establishments under the Meat and Canned Foods Act. At the present time there are 45 such plants.

5. In some trade channels and with certain classes of poultry there is reported to be a preference for the product of inspected establishments.

6. We do not maintain records of provincial inspections.

HOUSE OF COMMONS

Friday, February 8, 1957

The house met at eleven o'clock.

CITIZENSHIP AND IMMIGRATION

INDIAN AFFAIRS—PETITION OF ALBERTA INDIAN ASSOCIATION TO THE QUEEN

On the orders of the day:

Mr. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Citizenship and Immigration and ask him whether final disposition has been made of the question of forwarding a petition from the Indians to Her Majesty the Queen. Does the minister intend to follow the course previously outlined of looking into it himself rather than following the traditional policy toward Indians of permitting them to appeal direct to Her Majesty? If that is his view, will he table the petition so that we may know exactly the nature of this petition on behalf of these wards of the Canadian people who, while they have no votes, have rights?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, having looked at *Hansard* for the past few days I rather anticipated I would be asked a question about this subject this morning. As I told the house on a previous occasion, since this petition came into my hands I have sought the advice of the legal advisers of the government as to the appropriate disposition to be made of it.

As hon. members are aware, and if they were not aware they were told I believe the day before yesterday by the Prime Minister (Mr. St. Laurent), the Queen in Canadian affairs has only one group of advisers, her Canadian advisers. It is obvious that the Queen as a constitutional monarch can act only on advice. Obviously there would be no purpose served from any point of view by forwarding the petition without some responsibility being taken for such advice.

I have been advised by the deputy minister of justice and I shall read the advice I received from him as the house is perfectly entitled to know what I have received. This advice came to me in the usual constitutional manner through my deputy minister. The document is addressed to the deputy minister and reads as follows:

February 4, 1957.

The Deputy Minister,
Department of Citizenship and Immigration,
Woods Building,
Ottawa.

Dear Sir,

I understand that Mrs. Gorman, barrister, of Calgary, sent a petition addressed to Her Majesty to His Excellency the Governor General concerning proposed amendments to the Indian Act and that His Excellency in turn referred the matter to you.

You have asked my opinion whether the Minister of Citizenship and Immigration is required to take any action in respect of the matters petitioned for. In my opinion, he is not.

I might add that it is established practice for the Governor General to refer matters of this kind to the responsible minister.

Yours truly,
F. P. Varcoe,
Deputy Attorney General of Canada.

I may say that I have examined the petition and it does not appear to me to be in the form prescribed by the rules of the house for submission to the house. Since I am not an expert in these matters I would not wish to express any view of my own, but it does not appear to me that I should offer to table this petition without its being examined in the way prescribed by the rules. I may say, before the Leader of the Opposition gets too excited, that I would not have the slightest objection to the petition being made public; indeed I would be most happy that its contents should be known to every hon. member and to every other person interested, because the petition merely sets out the same arguments as have been made previously in other documents addressed to me and to the officers of my department. There is nothing new in it and there is no difference in substance from those arguments which have been made up to now by Mrs. Gorman, a barrister in Calgary, on behalf of the Indian Association of Alberta.

Mr. Diefenbaker: Mr. Speaker, does the minister now say that the reason he will not table it is that this petition is not a petition that would be accepted by parliament if it had been made to parliament? Is that the ground?

Mr. Pickersgill: What I said, sir, was that I have looked up the rules and it did not appear to me that this petition was in the

form prescribed by parliament, and that I would not venture to offer to table it without that point being considered by you, Mr. Speaker, or by the appropriate officers of the house.

As to the substance of it, I have not the slightest objection. I would certainly be delighted to make copies of it available to every hon. member. But I do not want to break the rules of the house.

Mr. Stanley Knowles (Winnipeg North Centre): I rise on a point of order, Mr. Speaker. My point of order arises out of the statement which has just been made by the Minister of Citizenship and Immigration. He said the petition should be looked at, and its propriety determined, before he tables it. Is it not the practice according to our rules —and I am looking at standing order No. 70—for a member who has received a petition to table it, and for the decision as to whether or not the petition is in proper form to be made by the clerk of petitions?

Standing order No. 70 provides under paragraph (1) for a petition to be tabled. Without reading all the paragraphs I will proceed to paragraph (7) which states:

> On the next day following the presentation of a petition the clerk of the house shall lay upon the table the report of the clerk of petitions upon the petitions presented and such report shall be printed in the *Votes and Proceedings* of that day.

And so on. I do not think the rest of it is relevant.

My point, Mr. Speaker, is that the Minister of Citizenship and Immigration is usurping a function of the clerk of the house and the clerk of petitions. The petition may well be in a form which is not proper, but should not the clerk of petitions make that decision rather than the Minister of Citizenship and Immigration?

Mr. Diefenbaker: Mr. Speaker, I rise to speak to the point of order which has been raised.

This is just another example of the minister taking upon himself, and arrogating to himself, a power of censorship which he does not possess. This is not a petition to parliament. This was a petition to Her Majesty the Queen, and the hon. gentleman, in what appears to me to be a monstrous perversion of his rights, refuses to permit that petition to go to its destination.

Then, when a proper request is made that parliament should at least know what is in the petition, the minister resorts to what I consider to be another subterfuge in order to deny Indians the opportunity of bringing their petition of wrongs before the house. I think Your Honour will agree that the statement made by the minister at this time, and his latest stand on this subject, show not only lack of knowledge of the rules but a continued desire to act tyrannously toward these Indians.

Mr. Pickersgill: On the point just raised by the hon. gentleman, may I say that I did not refuse to table this petition, and I am not refusing to do so. I said that I wished to stay within the rules of the house, and that I needed guidance on that point.

Mr. Diefenbaker: There is no doubt about that.

Mr. Speaker: With regard to this matter of order which has been raised: In the first place one would have to know to whom the petition has been addressed, because it must be borne in mind, according to citation 584 of Beauchesne, third edition, that a member cannot be compelled to present a petition. And according to citation 593:

> Every petition should commence with the superscription: "To the Honourable the House of Commons in Parliament assembled." Then should follow the formula: "The Petition of the undersigned . . . humbly sheweth." Follows the subject-matter on the petition, in the third person through, and commencing each paragraph with the word "That". The conclusion should be the "Prayer" tersely and clearly expressing the particular object which the petitioners have in view in coming before parliament. The petition should close with the formal words: "and your petitioners, as in duty bound, will ever pray". Here follow the signatures which must be in writing and not typewritten or printed.
>
> Without a prayer, a document will not be taken as a petition; and a paper, assuming the style of a declaration, an address of thanks, or a remonstrance only, without a proper form of prayer, will not be received.

There is no doubt that, according to standing order 70, once a petition is presented by a member, either by passing it over to the clerk or presenting it in the house at the beginning of routine proceedings, the clerk of petitions has the responsibility of examining it and making a report and the Speaker on that report will make a ruling whether or not the petition will be received. But it is up to the member who is in possession of the petition to do what he wishes, and that is the information which I think I might give the minister with respect to the matter. He is not compelled to deposit the petition, as it is said in citation 584, but if he wishes to do so he can leave it with the Clerk, the clerk of petitions will examine it and if it is not in conformity with the requirements of citation 593 the petition will have to be ruled out of order.

Mr. Pickersgill: I thank Your Honour for this guidance and I will be glad to give the petition to the Clerk at the earliest possible moment.

Mr. D. S. Harkness (Calgary North): I wish to direct a supplementary question to the Minister of Citizenship and Immigration. Since the minister has made himself the final addressee of the petition from the Indian Association of Alberta instead of sending it on to Her Majesty the Queen to whom it was addressed—

Some hon. Members: Question.

Mr. Harkness: —has the minister sent a reply in answer to the petition to the Indian Association of Alberta? If so, what is the reply?

Mr. Pickersgill: Mr. Speaker, perhaps I might begin by saying that it does not surprise me that several members of the Tory party seem to want to go back to the days before responsible government when this country was ruled from London.

Mr. Diefenbaker: That is just nonsense.

Mr. Harkness: We do not have responsible government at this time, so perhaps we ought to go back.

Mr. Pickersgill: Our position on this side of the house is that it is our duty to take our constitutional responsibilities. Now that I have received the advice I sought from the law officer of the government, I intend to make a reply to the lady who submitted the petition.

Mr. Speaker: I understand the hon. member for Wetaskiwin wishes to ask a supplementary question.

Mr. Ray Thomas (Wetaskiwin): I should like to ask the minister if he would, as he indicated a few minutes ago, have copies of the petition made for individual members and send them to them, provided the form of the petition is such that it cannot be tabled in the house.

Mr. Pickersgill: I shall be glad to do that.

[*Later:*]

Mr. W. M. Hamilton (Notre Dame de Grace): Mr. Speaker, with reference to the letter from the deputy minister of justice which he read a few minutes ago, would the Minister of Citizenship and Immigration state whether he read the entire contents of that letter?

Mr. Pickersgill: No, sir, I did not read "The Department of Justice" or whatever appears on the letterhead but I read everything that had any substance. I do not think I read "yours sincerely" or "yours truly" or whatever language appeared at the end of the letter, and I am not even sure I read Mr. Varcoe's signature.

Mr. Fleming: Smart fellow.

INDIAN AFFAIRS—LEGALITY OF MARRIAGE CEREMONY AT SIX NATIONS RESERVATION

On the orders of the day:

Mr. J. A. Charlton (Brant-Haldimand): I should like to direct a question to the Minister of Citizenship and Immigration. Has the minister been advised of the situation at the Six Nations reservation, having to do with the legality of a marriage ceremony performed under Indian tradition in the long house by an Indian chief? What is the ruling of the minister on this matter?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): The ruling of the minister on this matter is, sir, that the solemnization of marriage, under the British North America Act, is a provincial matter.

Mr. Charlton: May I ask a supplementary question. If it is a provincial matter, how is it that the name of this particular widow is on the Indian records in her maiden name?

Mr. Pickersgill: I know nothing about the facts in this particular case, but I shall be glad to look into the matter in question. I did not understand from the hon. member she was a widow; I thought she was married.

Mr. Charlton: I do not see anything funny about it. Apparently, the minister is not aware of the facts. The husband was killed in an accident a short time after the marriage.

[*Later:*]

INDIAN AFFAIRS—TIME LIMIT OF OCCUPATION UNDER ACT

On the orders of the day:

Mr. A. M. Campbell (The Battlefords): Mr. Speaker, I should like to direct a question to the Minister of Citizenship and Immigration. Has the time expired under the Indian Act when Indians can protest the occupation of other persons on a reserve? My second question is this. Are there any persons other than those in the Samson case under protest at the moment on Indian reserves?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): I understand, sir, that it will no longer be possible to make any protests about persons who were on the reserves at the time the act came into force. However, I would like to examine carefully the hon. gentleman's question and give a full answer the next day we are permitted to answer questions.

Inquiries of the Ministry

INCOME TAX

INQUIRY AS TO REASSESSMENT OF 1950-51 RETURNS

On the orders of the day:

Mrs. Ellen L. Fairclough (Hamilton West): I should like to address a question to the Minister of National Revenue. Will the minister say if it is the policy of the Department of National Revenue to keep the door open on assessments of 1950 and 1951 income tax returns by reassessing taxpayers before January 1, 1957, when the revision of section 46 (4) (b) came into effect?

Hon. J. J. McCann (Minister of National Revenue): I will have to take the hon. lady's question as notice and I shall give her an answer later.

Mrs. Fairclough: May I ask the Minister of Finance whether, when presenting the amendment to section 46 (4) (b), he had any idea that the department would adopt some measure for circumventing the effectiveness of the amendment.

Hon. W. E. Harris (Minister of Finance): I am firmly convinced that the department does not take action to circumvent the action of parliament.

EXTERNAL AFFAIRS

NATO—APPOINTMENT OF LIEUTENANT GENERAL HANS SPEIDEL AS COMMANDER OF LAND FORCES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Prime Minister. Was the Canadian government consulted concerning the appointment of Lieutenant General Hans Speidel as commander of the North Atlantic Treaty Organization central European land forces? If so, did the government express its approval of this appointment?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I understand that all the nations of the North Atlantic Treaty Organization were consulted. I have asked the Minister of National Defence (Mr. Campney) to get out the record and prepare a more detailed answer than the one I am making at this moment.

NATIONAL DEFENCE

VISIT OF UNITED KINGDOM MINISTER—REQUEST FOR STATEMENT ON DISCUSSIONS

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): May I ask the Minister of National Defence if he intends to make a statement to this house on the visit of the United Kingdom minister of defence, as was made by Mr. Duncan Sandys in the British House of Commons on February 6?

Hon. R. O. Campney (Minister of National Defence): No, Mr. Speaker, I have no intention of making a statement beyond saying that we discussed matters of common interest, as would be the case with any minister coming from Great Britain. If there are any matters involved which anyone cares to raise when my estimates are up, I will try to answer them.

Mr. Pearkes: Is the minister aware that the minister of defence did make a statement in Westminster on February 6?

Mr. Campney: Yes, he did, about his visit to Washington. In the statement he made to the press here, however, he said there were no particular problems to be discussed with the Canadian government.

Mr. Pearkes: In his statement to the British House of Commons he referred to conversations he had had with the Prime Minister and the minister of defence in Canada. Will the minister not consider making a similar statement?

Mr. Campney: He referred to conversations but not in respect of the matters he discussed in the House of Commons.

UNITED NATIONS—CANADIAN FORCES IN NEAR EAST

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to direct a question to the Minister of National Defence. In view of the dangerous impasse created by the adamant stand of both Egypt and Israel in the Near East, has the government made any arrangements to withdraw the Canadian forces presently with the United Nations emergency force should further hostilities break out in the area?

Hon. R. O. Campney (Minister of National Defence): No, Mr. Speaker.

Mr. Nesbitt: A supplementary question, Mr. Speaker. In view of this dangerous situation in the Near East is it the present intention of the government to continue with its plans to send further Canadian forces to the United Nations emergency force in Egypt until the present situation is clarified?

Mr. Campney: As regards the supplemental personnel of the services which were mentioned in the house the other day I said I would make an announcement as soon as it had been finally decided what is to be done in that regard. I think I may say that generally it is our intention to support

the United Nations emergency force as long as that support appears to be useful.

FINANCE

BANK OF CANADA—REFERENCE TO INCREASE IN DISCOUNT RATE

On the orders of the day:

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I should like to ask a question of the Minister of Finance. Will the minister comment on the fact that at the moment when the Bank of England has reduced its rate from 5½ per cent to 5 per cent the Bank of Canada rate has actually gone up from 3.95 per cent to 3.97 per cent?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I think the only comment that need be made is that the Bank of England raised its discount rate perhaps a year ago or a little more to what was considered to be an extraordinarily high rate and that this action was intended as a very pointed comment on the money market in the United Kingdom. The Bank of Canada have not felt it necessary to do that in Canada, though they did raise their rates successively during the last year when, I think, the rate reached 3½ per cent by action of the Bank of Canada. Then a decision was made by the bank to establish the rate at ¼ per cent above the going rate for 91-day treasury bills from week to week. The action of the Bank of England, as explained yesterday in the House of Commons at Westminster by the Chancellor of the Exchequer, has been anticipated for several months because of the improved position of sterling and the improved position generally of the United Kingdom with respect to its balance of payments problems and is nothing more than an indication—perhaps I should not interpret anything that the chancellor interpreted—that the problem which arose in the United Kingdom some months before it arose here has been dealt with successfully up to the present time by the same kind of action that is being adopted in Canada.

Mr. Macdonnell: From what the minister has said am I to take it that we may quite well expect our rates still to be going up?

Mr. Colin Cameron (Nanaimo): Mr. Speaker, may I ask the Minister of Finance a supplementary question in view of his answer to the hon. member for Greenwood (Mr. Macdonnell). He referred to the action of the Bank of England as a pointed comment on the situation obtaining in Great Britain. Would he say that the action of the Bank of Canada in raising the rate during the past year was in effect merely a pointed comment on the situation in Canada?

Mr. Harris: Not quite to the same extent as in the United Kingdom, Mr. Speaker, because there, as I pointed out, they raised the rate beyond perhaps what the money market had expected and perhaps unnecessarily having in mind the ratio to the 91-day treasury bill rate. I do not want that to sound like any criticism of the action that the Bank of England took but it is a fact that they raised the rate some months ago to a high in a manner which has not been adopted by the Bank of Canada. As I say, the result is that their problem arose earlier than did ours and over a period of time they are finding that they are working out of it. We in Canada are now perhaps in the position that they were in six months to nine months ago.

Mr. Solon E. Low (Peace River): I have a supplementary question to ask the Minister of Finance. Will the minister tell the house why this government maintains such a high rate on 91-day treasury bills?

Mr. Harris: Mr. Speaker, I should like to go into this matter at great length on my estimates but I can perhaps give just one brief answer for the moment. We do not maintain a high rate of interest. This is a matter of public tender weekly and the tender system establishes the rate for that week.

Mr. Sinclair: Free enterprise.

Mr. Macdonnell: I wish to ask a supplementary question. Does the minister think it is fair to try to make the members of this house believe that the Bank of Canada has nothing to do with the level of interest rates when everybody in the business world who is old enough to come in out of the wet knows that it has?

EXCISE TAX ON AUTOMOBILES—REFERENCE TO MINISTER'S STATEMENT ON FEBRUARY 7

On the orders of the day:

Mr. G. W. McLeod (Okanagan-Revelstoke): Mr. Speaker, may I direct a question to the Minister of Finance. Yesterday we were quite agreeably surprised by the announcement made relative to taxes on automobiles, and we took the understanding that this would apply to all cars—

Some hon. Members: Question.

Mr. McLeod: Just a minute; let me explain.

Some hon. Members: Question.

Mr. McLeod: We took the understanding that all cars shipped to dealers on and after February 1 until the date of the bringing down of the budget would not be subject to tax unless sold in the meantime. However, the minister stated, as reported on page 1046 of

Hansard, that a car would not be a tax-paid car until after title to the property had passed to the dealer. I should like to advise you—

Some hon. Members: Order.

Mr. McLeod: —that title passes—

Mr. Speaker: Order. The hon. gentleman has had ample time in which to lay a foundation for this question and he should now put it.

Mr. McLeod: I should like to ask the minister if he is aware that title to a car passes to the dealer the minute the seal is broken on the car at the point of delivery?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, what I intended to say yesterday was that I would recommend an amendment to the act during the budgetary bills which would overcome the difficulty to which my hon. friend is referring. If he will read my statement carefully he will see it is a remedial decision and not one of penalty.

HOUSING

LAURENTIAN TERRACE, OTTAWA—PETITION PROTESTING HOUSING OF MALE RESIDENTS

On the orders of the day:

Mr. A. M. Nicholson (Mackenzie): May I direct a question to the Minister of Public Works? Has the minister received a petition from girls residing in Laurentian Terrace protesting against the minister's action in quartering his male employees in this girls' residence? Will the minister reconsider this matter with a view to finding other quarters for male members of his staff?

Hon. Robert H. Winters (Minister of Public Works): Yes, Mr. Speaker, I have received a petition. It was signed by 14 of the ladies who occupy Laurentian Terrace out of a total number of some 300, I believe. It has been the practice to accommodate men from various departments of government in spare accommodation in Laurentian Terrace from time to time as an economy measure. It is considered desirable to use that space rather than pay the relatively high cost of accommodating these people elsewhere at times when they come to Ottawa for conferences, courses and the like.

I understand that seven of these 14 young ladies were accommodated in single rooms, and suitable single rooms have been found for them elsewhere in the Terrace. The remaining seven were living doubled up—

Some hon. Members: Explain.

Mr. Winters: —and similar accommodation was found for them, also in the Terrace.

Mr. Harkness: Are they objecting to being doubled up?

Mr. Winters: I may say that this practice of using spare space in Laurentian Terrace has been followed ever since I have been associated with Central Mortgage and Housing Corporation, and I do not think there has been any great objection to it.

Mr. Nicholson: A supplementary question, Mr. Speaker. Is it not a fact that this building was constructed during the war when materials and manpower were scarce as a public service to provide accommodation for girls who came from all parts of Canada? Would it not seem reasonable to retain this service for girls who are forced to live away from home in the city of Ottawa?

Mr. Winters: Mr. Speaker, there is no effort here to take away the accommodation from these girls. What we are doing is—

Mr. Fulton: Making it more interesting.

Mr. Winters: —utilizing the spare accommodation.

HIGHWAYS

BRITISH COLUMBIA—APPLICATION FOR CONSTRUCTION OF DEAS ISLAND TUNNEL

On the orders of the day:

Mr. T. H. Goode (Burnaby-Richmond): Mr. Speaker, may I address a question to the Minister of Public Works. Has the minister approved the application of the provincial government of British Columbia under the Navigable Waters Protection Act for permission to construct the Deas island tunnel under the Fraser river? If so, what is to be the depth of water at extreme low tide above the tunnel and over what width of the channel?

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, the answer to the first part of the question is yes, and I have so notified the government of British Columbia in a telegram this morning.

In reply to the second part of my hon. friend's question the design provides for a minimum depth of 40 feet 9 inches over the tunnel at low water for a minimum width of 700 feet.

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, I wish to direct a supplementary question to the Minister of Public Works with respect to the Deas island tunnel. Would the minister indicate how the minimum depth that is proposed for this tunnel compares with the St. Lawrence seaway depth? Secondly, would he guarantee that the same

depth will be held at all times in the Fraser river from its mouth to the city of New Westminster?

Mr. Winters: Mr. Speaker, I understand the St. Lawrence depth is 27 feet. The proposed minimum depth over this tunnel is 40 feet 9 inches. I might say for comparative purposes that the guaranteed depth at low water in the first narrows is 37 feet 6 inches and the present dredging contract when complete will provide for 39 feet at low water. In connection with this tunnel there are certain guarantees to be given by the government of British Columbia that the depth will be maintained not only over the centre line of the tunnel itself but within certain distances on either side of the tunnel.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I would like to direct a supplementary question to the Minister of Public Works concerning the subject of tunnels. Has the minister yet received an application from the government of British Columbia to construct a tunnel under the straits of Georgia from the mainland of Vancouver island? If so, what will be the maximum depth at low water if that tunnel is constructed?

Mr. Winters: Mr. Speaker, the answer to the first part of the question is no, and therefore the second part does not apply.

BELL TELEPHONE COMPANY

REQUEST FOR INQUIRY INTO ALLEGED MONOPOLISTIC OPERATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. Has the government taken note of the request of the Canadian and Catholic Confederation of Labour in its recent brief to the federal cabinet for the creation of a special commission to inquire into the monopolistic character of the operations of the Bell Telephone Company in order to make recommendations as to the best means of having this company owned and administered in the public interest? Will consideration be given to this request?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, consideration will be given to the request, but in my answer I shall not attempt to give any encouragement to the hon. gentleman's desire to see the Bell Telephone Company socialized.

Mr. Knowles: Mr. Speaker, would the Prime Minister care to tell the house what answer he made to the request of the Canadian and Catholic Confederation of Labour for bringing this company under an administration that would be in the public interest?

Mr. St. Laurent (Quebec East): Mr. Speaker, I do not remember that there was any specific answer given to that question and of course I do not agree with the hon. gentleman's suggestion that the proposed method would be in the public interest.

Mr. Knowles: That is a criticism of the stand taken by the C.C.C.L.

An hon. Member: Tell us about the Saskatchewan pipe line.

HOUSE OF COMMONS

INDIAN AFFAIRS—REQUEST FOR ANSWERS TO QUESTIONS ON ORDER PAPER

On the orders of the day:

Mr. D. S. Harkness (Calgary North): Mr. Speaker, I should like to direct a question to the Minister of Citizenship and Immigration. Can the minister explain why all of the first 39 questions on the order paper have been answered with the exception of four, all of which relate to Indian affairs and have been on the order paper for four weeks or longer? It seems a very strange thing that these questions are the only ones that have not been answered. I would like an explanation concerning this and I wish also to ask another question. Can the answers to these questions be expedited and when might they be expected?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): I think, sir, the answer is very simple. If the hon. gentleman who is rather familiar with some of these questions will examine them carefully he will see that they involve a good deal of historical research. This is being done as expeditiously as possible having regard to the need for carrying on the day to day business of the Indian affairs branch at the same time.

Mr. Harkness: A supplementary question, Mr. Speaker. I would ask the minister if the question which I have asked involves any historical research expense?

Mr. Pickersgill: It involves a good deal of research, sir.

Mr. Harkness: Very little.

STATEMENT BY MR. SPEAKER ON LANGUAGE USED IN DEBATE ON FEBRUARY 7

On the orders of the day:

Mr. Speaker: I think I owe an explanation to the house with respect to the matter which I suggested be left in abeyance yesterday. We now have *Hansard* of yesterday and I am

referring to page 1049. A question was asked by the hon. member for Restigouche-Madawaska (Mr. Van Horne) which reads:

In view of the minister's answer yesterday, which I could not understand because of the covering-up noises of the Liberals, to the effect that he did not know of the several weeks' delay occurring in the processing of thousands of unemployment insurance claims, will the minister tell us when he will get busy and do his job and remove the dagger held over the backs of the workingmen of Canada? The minister's do-nothing attitude is that of a saboteur of the rights of the workingmen of Canada, and I am not going to stand for it.

At that moment I asked the hon. member to revise his language and he did not consider that he should be called upon to do so. A point of order was raised by the Minister of Finance (Mr. Harris) and at that point I said:

I would not want to have a discussion started on the exact words that have been used. I suggest that the matter be left in abeyance until I have had a chance to look at the transcript.

I have examined four dictionaries and have looked at the various definitions of the word that was used. In most instances the word "sabotage" is defined as the act of one who wants to damage or wreck. The King's English dictionary defines the expression as meaning malicious destruction of property. The expression is not one which I believe should be used, but I realize the consequences that may ensue should the Speaker ask that a certain expression be withdrawn. It may be that the sense of the house will not be behind his request or the hon. gentleman who has uttered the expression may not be disposed to adhere to the request of the Speaker. In such case it is automatic that the hon. member be named and then would follow all the consequences the house knows about.

I had hoped yesterday that the hon. member of his own volition would have done something about it and there is still time for him to do something if he so chooses. However, I am not going to insist upon the withdrawal of the word that has been used. For the benefit of hon. members I should like to read citation 234 of Beauchesne's third edition which is as follows:

It is impossible to lay down any specific rules, in regard to injurious reflections uttered in debate against particular members, or to declare beforehand, what expressions are or are not contrary to order; much depends upon the tone and manner, and intention, of the person speaking; sometimes upon the person to whom the words are addressed, as, whether he is a public officer, or a private member not in office, or whether the words are meant to be applied to his public conduct, or to his private character; and sometimes upon the degree of provocation, which the member speaking had received from the person he alludes to; and all these considerations must be attended to at the moment, as they are infinitely various and cannot possibly be foreseen in such a manner, that precise rules can be adopted with respect to them.

[Mr. Speaker.]

When the Speaker observes upon any expression as personal and disorderly, and tending to introduce heat and confusion, and this appears to be the general sense of the house, the member offending ought immediately to make an apology, and to ask pardon of the house for his breach of their order, in as large and liberal expressions as possible, so as in such apology, to comprehend the person of whom the words were used. This is often very difficult to be obtained, especially when the offending person thinks he had sufficient provocation for using the expressions objected to. This consideration ought to be a warning to the house, and particularly to the Chair, to interfere at first; and not to permit any expressions to pass from a member unnoticed, which being applied by any other member as personally offensive to himself, may draw forth further words of heat and contumely, till at last confusion arises—different members take a warm and eager part in the dispute—and, besides the time that is lost in composing these differences, the House of Commons exhibits a scene of indecency and disorder, not very becoming their character as gentlemen, much less as one of the component parts of the great council of the nation assembled in parliament.

Mr. Daniel McIvor (Fort William): Mr. Speaker, on a question of privilege, I rise to pay my tribute to the Minister of Labour as a great Canadian, as a great Christian. To apply the word "saboteur" to him is low.

Some hon. Members: Order.

Mr. Speaker: Order. When I had taken up the matter of the language that had been used I thought that all hon. members had concluded taking part in the question period and I was about to call the orders of the day. I think we ought to proceed with the orders of the day.

REFERENCE TO DISORDER DURING DEBATE ON FEBRUARY 6

On the orders of the day:

Mr. C. W. Hodgson (Victoria, Ont.): Mr. Speaker, while we are on this subject may I say that on February 6 I rose in my place to ask the Minister of Agriculture a question, although he was not present at the time. There was so much noise raised by the Liberals, so much clacking and thumping of desks, especially by the rump of the Liberal party—

Some hon. Members: Order.

Mr. Speaker: Order.

Mr. Hodgson: Before I got my question before you there was so much noise made by the rest of the Liberals after there had been an exchange between me and some of the members in the rump that the *Hansard* reporter did not get my question at all. If Your Honour wants to cut down the question period to a reasonable time an attempt should be made to keep order among the Liberals in this house when anyone rises to ask a question.

Mr. Speaker: I do not think the intervention of the hon. gentleman is one to which I should pay too much attention. I remember the question he was asking and the noise that was made, but I must say that my experience is that it is generally because of provocation which comes equally from both sides of the house.

Mr. Hodgson: There was no provocation on my part that day.

An hon. Member: You are an angel.

PRIVILEGE

MRS. SHIPLEY—REFERENCE TO REPORT IN "GLOBE AND MAIL" OF FEBRUARY 8

On the orders of the day:

Mrs. Ann Shipley (Timiskaming): Mr. Speaker, on a question of personal privilege, a report in the *Globe and Mail* of this morning referring to the debate of yesterday has this to say:

> From the Liberal side, and particularly from Mrs. Ann Shipley (L. Timiskaming) came shouts of "Shut up".

Neither yesterday nor at any other time have I used such an expression. The only thing I said yesterday was with reference to the Leader of the Opposition, and the words I used were "outrageous" and "shame".

CANADIAN WHEAT BOARD ACT

AMENDMENT TO EXTEND EXPIRY DATE

The house resumed, from Thursday, February 7, consideration of the motion of Mr. Howe (Port Arthur) for the second reading of Bill No. 9, to amend the Canadian Wheat Board Act.

Mr. E. G. Hansell (Macleod): Mr. Speaker, last night I was in the process of speaking to the second reading of the amendments to the Canadian Wheat Board Act. I was not able to conclude my speech, on account of the time reaching ten o'clock. When I adjourned the debate I was talking about the necessity of paying some attention to the establishment of the family farm. I do not know that I need pursue that subject to any great extent, but I was mentioning the fact that the two-price system which we propose would help to some small degree in assisting the small farms. It is quite obvious, Mr. Speaker, that this is entering into the realm of fiscal policy.

Now, Mr. Speaker, when we talk of the wheat producers' problem we are always told by the Liberal supporters of the government that we have sold more wheat than usual, and they begin to boast of the markets they have been able to secure for the farmers' wheat. They also boast that the total farm income is, perhaps, a little higher than in the past. It is all very well to talk in that strain, but it is also advisable to point out that while there is an element of truth in these contentions there is another element which must be considered, namely the question of what has been termed the "price squeeze", as a result of which the amount of income the farmer receives today does not go as far as it did some years ago. In consequence, even though there may be more or less satisfactory markets and the over-all income may be slightly higher, the farmers, because of the price squeeze, find themselves in a very precarious position; they find it very difficult to keep their heads above water and to survive without going into bankruptcy.

The boast of markets and the boast of over-all income does not satisfy the farmer who is on the verge of bankruptcy. Let me remind hon. members of this, Mr. Speaker: Mr. J. H. Wesson, president of the Saskatchewan wheat pool, issued a statement in which he outlined some of the developments affecting agriculture in 1956, and speaking of this price squeeze he said, and I quote from his speech:

> But even on the basis of these good sales many farmers did not break even on the year's operations. The continued high cost of things needed to operate a farm and to maintain the farm family was putting the farmer in an impossible position. The price he received for his grain and other agricultural products was too low to keep the average farmer out of debt.
>
> This situation can be illustrated by reference to the farm income and cost figures for 1955. Cash farm income for Saskatchewan that year was only eight per cent above the level of 1946, but prices of things farmers buy were 52 per cent higher than in 1946. The improvement in income in 1956 will not bridge the gap between costs and prices as shown in 1955 figures. The result is that many farmers are dipping into reserves to keep going while other farmers are accumulating debts which will be extremely difficult to pay at present prices.

Mr. Speaker, when you think of that, and then think in terms of the small farmer, you will realize that the small farmer is in a position where he is just about bankrupt. The other day I got a letter from a farmer in my constituency. He is a small farmer, and he writes this way—I will quote from his letter:

> What I really wanted to write to you about is this: What is to become of the small farmer in southern Alberta? Is it the policy of the government in Ottawa that these small land holders should give up, sell out and try to make a new home somewhere else? What chance would a man almost 50 years of age, who was born here and lived here all his life, have of finding work elsewhere?
>
> I suppose he could dig ditches or gardens, but I doubt if he could make a living at it. Is it right that a man should have to give up his home just because he did not venture out and grab up a lot of land? Everything seems to be in favour of the big land owners. Banks will lend them money; machine companies will give them discounts, wheat quotas on big acreages give them more return, etc.

I am not saying, Mr. Speaker, that a man should not acquire a large farm if he wishes to do so and if he is a successful farmer, but I am saying that the fiscal policies of the government in respect of the wheat grower should be such that the small farmer can keep out of debt, support a good farm family and receive an adequate income in return for what he produces.

There is one further thing I wish to say, Mr. Speaker, in respect to the wheat board, and that is with regard to the quota system. I know it is difficult when we have such huge surpluses to move the grain as many would like it to be moved, but there does seem to me to be some discrimination in the matter of quotas at the various points throughout western Canada. I do believe that there should be some policy adopted whereby there would be, by the end of the crop year, an equalization of the quotas throughout the country. In making reference to this I do not wish it to appear that I want any quotas in some sections of the country pulled down to the level of a lower quota that may exist in other parts of the country. But it must be kept in mind that there does appear to be some discrimination at times.

For instance, I find that farmers at some points, where they have had as much as an 8-bushel quota, are not always dependent upon wheat for their income. We may have certain points where the farmers can go into other lines of production such as cattle or hogs and are not dependent upon wheat for their income. Yet it will be found that at those particular points the quotas have been as high as 7 or 8 bushels whereas at other points dependent upon wheat growing the quotas have been lower. These other points are wheat growing areas where the soil is suitable for the growing of wheat and the water condition is perhaps not suitable for the raising of cattle. Therefore the farmers at such points grow wheat exclusively and are dependent upon the income they receive from their wheat. Yet at some of these points the quotas have been as low as 5 bushels.

That does seem to be discrimination, especially when these particular points may not be very far away from each other, perhaps 30, 40 or 50 miles or in an adjacent community. That situation does not tend towards satisfaction among our farmers. Therefore I urge that some attention be given to the equalization of quotas by the end of the crop year, particularly at the present time when we have huge surpluses which may continue for a number of years.

I wonder whether I might put on the record a table given to me in answer to a question I asked some little while ago. The table shows the number of delivery points throughout the western provinces and the quotas delivered. I could read it but I will not take the time if I may have it put on *Hansard*. It is a short document.

Mr. Speaker: Has the hon. gentleman unanimous consent to put the table on *Hansard*?

Some hon. Members: Agreed.

Mr. Knowles: What is the source of the figures?

Mr. Hansell: It is in answer to a question which I asked in the house. It is already on the record but it is not very long.

Mr. Knowles: Very well.

Mr. Hansell: The table is as follows:

Province	Number of Delivery Points
Over five bushels	
Manitoba	375
Saskatchewan	1,001
Alberta	492
Total	1,868
On five bushels	
Manitoba	—
Saskatchewan	103
Alberta	85
Total	188
Under five bushels	
Manitoba	None
Saskatchewan	"
Alberta	"
On eight bushel quota	
Manitoba	316
Saskatchewan	307
Alberta	195
Total	818

I do not think I need to say anything further at the moment. This group is in favour of the passage of the bill and we would like to see the life of the wheat board continued. Furthermore, we will do anything we can to strengthen the efficiency of the wheat board in the interests of the western farmer.

Mr. Speaker: Is the house ready for the question?

Mr. A. M. Campbell (The Battlefords): Mr. Speaker, before the question is put I should like to say a few words prompted by two statements made in the house on the first day of February. The first statement was made by the Minister of Trade and Commerce (Mr. Howe) and, as found at page 890 of *Hansard*, it reads as follows:

That is the main reason why, on every and all occasions, the board, strongly supported by the government, has resisted efforts to put the board into the money-lending business by making advances to producers against grain stored on farms. That is not the business of the wheat board and should not be its business. To put the wheat board

into the business of making farm advances is the surest way I know of playing into the hands of those who would like to wreck the board as an effective marketing agency . . .

I think that statement needs some consideration. First, may I say in no uncertain manner that we in the C.C.F. are wholly in support of the wheat board method of selling wheat. We believe that had the board not been operating for the past ten years prices would have tobogganed to a ridiculous level. We know that the farmers know that and will resist almost with ferocity any attempt from any source to do away with that system and will not allow themselves ever again to be forced to sell through the grain exchange.

To those of us who have produced grain for the past 45 years that would be unthinkable. We will never forget the years when we were obliged to sell our wheat in the fall. When the first few loads of wheat came in the prices started to fall and they fell steadily until all of the wheat was in the hands of the speculators. Then prices started upwards. The grain exchange was the greatest gambling institution in the world at that time.

However, having said that, should we set up the wheat board on a pedestal and say that its members are supermen who will always be right and must never be criticized, as the Minister of Trade and Commerce implied in his speech on February 1? Surely in a democratic country governments themselves should be subject to criticism even by their own supporters. That is all to the good and makes for better government.

One statement of the minister with which I must take issue is his statement that the board is strongly supported by the government. I am amazed at that statement. Does the minister suggest that the government has relegated all its authority to the board regarding every phase of the handling of wheat? I have always thought that when a board was set up by a government the government provided a policy and instructed the board as to that policy.

The minister states quite correctly that the board was set up to sell wheat. But does he mean to tell the house that the wheat board dictates policy to him. I think hon. members know the minister too well to believe that. The minister has shown too many times in the house just who the big boss is on the government benches.

The minister complains that farmers are asking the government to make cash advances on farm-stored grain and says that if the wheat board had to do this it would wreck the board. He makes this as a bald statement without producing any facts to back up the statement, nor does he offer any alternative. Apparently he and the government have decided that the farmer needs no more consideration.

Two years ago the government allowed elevator companies to make use of offsite storage. This was a big help, especially in those districts which built skating rinks. Those districts fortunate enough to have skating rinks, or which built skating rinks on the strength of the idea that they would derive revenue from the storage of wheat, were helped a great deal in that the farmers in these favoured areas were able to deliver a much greater quota of wheat. For some reason or other the government has cancelled this arrangement without in any way providing additional inland storage.

The minister seems to be quite satisfied that the farmers are not doing too badly, and when they bring their problems to the government and ask that certain action be taken to remedy some of the conditions under which they find themselves the minister as much as says that they are trying to sabotage the wheat board.

What are the things that the farmers are asking the government to do? First, they have asked that cash advances be made for grain which is stored on the farm. Anybody who knows anything about wheat farmers in particular at this time knows that the cash shortage on the farms for the past number of years has been very acute. While the cost of production has been going up rapidly, many farmers have not received sufficient cash on the amount of wheat they were able to sell to carry on their day to day operations.

The second complaint is that they want a better quota system. They want a more equitable quota system. We find that at some shipping points last year, as has been mentioned by many other members during the course of the debate, the quota got up to 8 bushels while other points did not get above a 4 or 5 bushel quota. To give one instance, the village of Marsden in Saskatchewan had an 8 bushel quota last year. When I left home a little over a month ago they were already up to a four-bushel quota this year. But the very next village eight miles away got up to only five bushels last year and at the time I left they were only on a one-bushel quota for this year. When complaints were made last year with regard to the quotas the minister gave to the house a definite commitment, as I thought at the time, that the situation would be remedied when the next crop year came around. So far that has not been done.

In the third place the farmers ask that a transport controller should be appointed to

see that the movement of wheat is carried out as expeditiously as possible and that no shipping points will be discriminated against. So long as the minister takes the attitude that he is not going to appoint a transport controller and that he cannot find one, he himself is the one who is putting an extra load on the wheat board, though he complains that the board should not be loaded down by some of these requests that our farmers have been making.

Another matter of interest is that farmers who belong to the wheat pool point out that, owing to the way box cars are allocated between elevators, they often have to use elevators they do not want to use when they have gone to the trouble and expense of building their own elevator system. This year the Saskatchewan wheat pool is paying a cash patronage dividend of one cent per bushel on 1955-56 deliveries amounting to over $1½ million; there is also credit to members' accounts at the rate of 13/16 cents a bushel, amounting to about $1½ million. This sum is to be used for the revolving fund deduction. While this amount is not large it would be completely lost if that grain were delivered to the line elevator companies. The farmers are demanding that something be done by the transport controller in order to see that they can deliver to elevators of their own choice.

Farmers are asking for more internal storage space so that the movement of wheat can be speeded up and so that, instead of cars having to go all the way to the lakehead, they can be emptied several times in the same length of time it would take to haul them to the lakehead. They have pointed out that with the exception of Churchill there has been no building of inland elevators for many years.

I think it would be a wise precaution if the government built up a good-sized wheat bank, some of which could be held in interior elevators to ensure our customers of a plentiful supply of bread food at all times. The western plains have always been subject to cycles of wet and dry years. While we have been in a wet cycle now for a number of years, a dry cycle will most certainly come again, and if we do not have the wheat to sell —and we have been in that situation in the past—when our customers want it, we are going to lose some of those customers; and once we have lost a customer, it is not always easy to get him back again.

Farmers are also suggesting a two-price system, with a domestic price which would bear a relation to the prices of the things the farmer has to buy. The minister has stated that he was not in favour of the consumer subsidizing the grain producer. But let me remind the minister and the government that during both world wars the wheat growers subsidized not only the people of Canada but our overseas allies as well.

When world war II was over the Agricultural Prices Support Act was passed and $100 million was voted to support farm prices. The farmers were told at that time that this was compensation for the low prices paid during the war years. Surely the government could go as far as to accede to the demand of the farm organizations that a domestic price for wheat be set at $2.25 per bushel. This action would not raise the price of bread more than one half a cent a loaf.

Almost every major wheat-producing country in the world has taken steps to keep the farmers in business except Canada. Here the farmer seems to be the forgotten man. There is a sharp contrast between what the United States is doing to keep her farmers solvent and on the farm and what is being done in Canada. Last summer I drove across North Dakota. On the outskirts of every town and village were rows and rows of granaries full of wheat owned by United States government agencies. When a United States farmer harvests his crop he can do one of two things. He can sell it to the government agency and get cash in full, or he can store it in his own bin and collect storage payment until he is ready to sell. If he is short of storage space the government will lend him money with which to build granaries. If it so happens that the government agency has no space available and the farmer wants to sell, the agency will measure his bins, pay him for the grain, seal the bin and put on it a sign showing that the grain in that bin now belongs to the government agency. This seems to me to be a very simple transaction, and as yet I have seen nothing in United States papers finding any fault with that operation.

This scheme provides the farmer with the cash with which to pay his bills, provide for his family and home, and carry on necessary improvements. The banks, oil dealers, grocers, implement dealers, et cetera get back the credits that they have extended and the economy runs smoothly. For the life of me I cannot understand why the federal government here in Ottawa continues stubbornly to refuse the request of farmers and their organizations to make living on the farm a little bit more secure.

We in the C.C.F., because we have put forward some of the demands of western farm organizations, have been called calamity howlers and cry-babies. John Wesson, president of the Saskatchewan wheat pool, can

by no stretch of the imagination be considered to be a calamity howler or a cry-baby. In speaking to the annual convention of the wheat pool on November 15 last year he said this:

..Western farmers face one of the greatest crises in the history of agriculture. Unless the government of Canada takes action to improve the relationship between farm costs and farm prices, farmers face the prospect of once more being pushed deeply into the morass of debt.

Two things were necessary, he said. One was the acceptance by the government of the principle that farmers were entitled to a reasonable price for their farm products. If this result could not be achieved in the market place, Mr. Wesson argued, then the government must make up the difference by deficiency payments.

There is one statement made by the hon. member for Moose Jaw-Lake Centre (Mr. Thatcher) that I cannot pass up without comment. As reported at page 913 of *Hansard* of February 1, 1957, he said this:

But I also say that the lot of the farmer is not made easier in Saskatchewan by the socialist members who since 1945 have acted in this house as professional cry-babies.

Mr. Speaker, I have been speaking for the farmer and have been working with farm organizations for the past 40 years and I am quite certain that the people that I represent do not consider me to be a cry-baby. Surely it is the duty of a member representing any constituency to place before this house and this government the problems that confront his constituency; and if he does not do so, he is not doing his job and he is not doing his duty. I am quite certain that the people in my constituency will resent the sort of insinuation which has been made. I would remind the hon. member that he himself shed a few tears during some of the earlier years when he was in this house, and not only when he was in the house but also when he was out on the hustings and out talking to the people in his own constituency.

On April 22, 1949, he is reported in the Moose Jaw *Times-Herald* as having said that farmers have been forced to accept prices 50 cents to a dollar under those prevailing in world markets and that, instead of setting floor prices, the government had set ceiling prices which constituted "vicious discrimination against farmers".

He said that world markets, guaranteed in election promises made by J. Gordon Ross, defeated Liberal candidate, had not been forthcoming, and that British and overseas markets for Canadian wheat, meat and apples were shrinking steadily. "Only the C.C.F. party", Mr. Thatcher said, "could give Canada full employment, social security and good farm prices." Introduced by Dempster Heming, M.L.A., Mr. Thatcher was thanked by Chairman Fred Jones, who urged delegates to tell their friends about the little barefooted boy of 20 years ago who made such a splendid speech tonight.

In the same paper, the Moose Jaw *Times-Herald*, Mr. Thatcher is quoted as stating that a C.C.F. government at Ottawa would set up export and import boards to dispose of surplus Canadian food products in exchange for goods which are desired by the Canadian people.

In the same paper, of June 14, 1949, he is quoted as saying:

The C.C.F. will set up a system of guaranteed or parity prices for agricultural crops.

On October 23, 1952, at the C.C.F. nominating convention at which he sought and received the C.C.F. nomination for Moose Jaw-Lake Centre for the 1953 election, Mr. Thatcher said, as reported in the *Times-Herald*:

When I joined the C.C.F. party originally, I did so because I felt that it was the party which alone could guarantee full employment and reasonable farm prices in a peacetime economy.

Listen to this:

After eight years at Ottawa I am infinitely more certain of that fact. Surely there can be little doubt that our present prosperity is based on a war boom and re-armament.

As reported in the same paper on July 2, 1953, the hon. member for Moose Jaw-Lake Centre called upon the Liberal party to remove trade barriers which were preventing potential customers from selling goods to our markets. The article reads:

"The Liberals have always professed to be a free-trade party yet Trade Minister C. D. Howe has displayed indifference, if not downright hostility towards improved commonwealth trade relations.—Mr. Howe must assume a large amount of responsibility for the loss of Canada's traditional markets in Britain for farm products—actually he has mishandled the trade portfolio in a way that could only spell ultimate tragedy to thousands of western farmers."

Today Canada's agricultural economy was facing a critical situation with mounting surpluses and falling prices, according to the speaker.

Surely, Mr. Speaker, if a condition such as he describes existed in 1953, there has not been any change up to the present time. On August 7, 1953 an advertisement appeared in the same paper together with Mr. Thatcher's picture. The advertisement read, in part,

Your C.C.F. candidates are pledged to fight for the west and the C.C.F. federal program to provide guaranteed forward prices based on parity for primary producers.

On August 4, 1953, the *Times-Herald* carried a personal write-up on each candidate for the Moose Jaw-Lake Centre constituency with a summary of the platform

of each party prepared and approved by the candidate himself. The platform of the C.C.F. and the hon. member for Moose Jaw-Lake Centre was in part as follows:

> Instead of producing munitions, we must build homes, roads, irrigation works, schools and hospitals.

The C.C.F. believes that minimum farm prices are needed just as much as minimum wages. We shall introduce legislation providing for guaranteed forward prices on all agricultural products including livestock, poultry and grains.

Mr. Howe (Port Arthur): On a point of order, Mr. Speaker, I would suggest that if extracts from the press are to be read, at least they should be pertinent to the subject matter of the bill. This is a bill to extend the life of the wheat board.

Mr. Deputy Speaker: Order. I understand the minister is rising on a point of order.

Mr. Howe (Port Arthur): We have had a good deal of discussion on Saskatchewan politics, but I suggest the time has come when we should consider the bill before the house. These extracts from newspapers have no relation whatever to the bill. Whether or not it is proper to read extracts from newspapers is a matter of opinion, but I do say if they are to be read they should be relevant to the bill.

Mr. Ellis: It depends on whose ox is gored.

Mr. Campbell: I was very careful to choose ones—

Mr. Deputy Speaker: The hon member who has the floor indicated he was replying to a speech made by another hon. member. I think he will agree that I have given him a good deal of latitude in doing so. I have for some time, even before the point of order was raised, been wondering if we were not departing entirely too far from relevancy in this debate. I would ask the hon. member to confine his remarks to the discussion of the principle of this bill which is now before us.

Mr. Campbell: I was just about through. I should like to point out that I was very careful in picking out these quotations to pick those which had to do with farming and marketing and with wheat.

Mr. Howe (Port Arthur): This bill has nothing to do with farming or marketing. It is a bill to extend the time in which the wheat board may function, and that is the only purpose of the bill. There is a limit on the amount of Saskatchewan politics that we should have to take on a bill of this kind, I suggest.

[Mr. Campbell.]

Mr. Campbell: Evidently the minister does not like what I have to say. If politics had not been introduced into this debate I would not have been the first one to introduce them. When politics have been introduced from your own side of the house, then I think I should reply.

Mr. Deputy Speaker: Order.

Mr. Campbell: I am just finished. I should like to close by saying this. If the time ever comes when I cannot support the principles and policies of the party with which I am associated, and I come to a point where I feel that I must change my allegiance and sit with a group in another part of the house, I hope I will have enough courage to go back to the people of my constituency who elected me and ask for their endorsation.

Mr. Solon E. Low (Peace River): I do not wish to hold up the bill, Mr. Speaker, or to extend the political debate, but I do have a few things I should like to say at this time and particularly because of what was said in some speeches made last evening. I want to help the minister get this bill through and what I shall say will be directly relevant to the bill.

The whole principle of Bill No. 9 is under consideration at the moment and I want to indicate to the minister that we support the extension for another five years. I want to tell him also that we have not given too much consideration to the question of making the act a permanent piece of legislation. I am speaking only for myself, therefore, when I say that at the moment I do not see any real reason why it should be made a permanent piece of legislation. I believe the fact that we have to bring it back into the house every five years for renewal and consideration at least opens up the whole question of the wheat board and its operations so that the members of the house can debate fully whether or not it has been a good thing. For that reason I say, while I am not opposing the idea to make it permanent, I see some advantage in having it renewed five years at a time, at least for the present.

We have supported the principle of the wheat board as the sole marketing agency for the farmers' wheat since its inception. Many of those in this group, Mr. Speaker, were amongst those who advocated the establishment of this form of orderly marketing long before the wheat board came into operation. The great majority of the farmers in the west are ardent supporters of the wheat board. They may not all have been, but I say the great majority of farmers always have been and certainly the great majority during these past few years. We know that there are some who are opposed to it yet,

but they are certainly in the minority. In my own constituency, while there are a comparatively few who have not supported the wheat board, the great majority of my farmers do support it and have asked me to support it. I believe in acknowledging and striving to do the will of the people who sent me here.

Like the hon. member for Acadia (Mr. Quelch), I think we are fortunate in having a very fine group of men in charge of the board. I am not too well acquainted with some of the commissioners but I have known the chief commissioner, Mr. McIvor, for a great many years. In our youth in southern Alberta we lived only a few miles apart. We had a great many fine basketball games together. He was an excellent competitor and a clean sportsman in those days. I know, Mr. Speaker, from my knowledge, that Mr. McIvor has been playing the game just as well in his chosen field of wheat marketing as he used to play the game in basketball in southern Alberta. I wanted to commend him and his colleagues for the good job they have done and commend the minister for maintaining such men in their responsible positions.

I do not intend repeating those things that have already been capably expressed by other speakers in this group but there are two or three matters which I feel should be emphasized further.

I want to draw to the minister's attention the fact that some sections of Canada have not had justice with regard to quotas. Many hon. members have spoken about this matter. My territory in the Peace river country is one area that has not received justice in relation to quotas. Perhaps it is because of its isolated position. The Peace river country is a vast grain-producing empire some 250 miles northwest of the city of Edmonton. Frequently we have been left until the very last with respect to getting our wheat out. The wheat board has consistently followed the practice of filling orders especially for export from points that are nearer to the places of shipment overseas and as a consequence of this policy our territory in the Peace river has been left out. I imagine the same thing could be said of certain other areas but I feel there are ways of correcting this situation. In spite of the minister's declaration last year that those farmers who were on a small quota at that time would be brought up this year to something approaching the level of those enjoying the best quotas the farmers in my country are not receiving that treatment. I am not blaming the minister but this does point up the necessity of having an appointment made to the vacant position of transport controller in order that something may be done to correct the situation that has been referred to so frequently during the course of this debate.

In most of the points in the north Peace river area the farmers are on a 2-bushel quota and even with such a low quota they cannot deliver because box cars have not been made available and many points have been plugged from the early part of the season. One reason not many orders have been placed in that area by the wheat board this year is that frost hit the country and there is a great deal of low-grade wheat, No. 5 and below. Perhaps the demand for that type of wheat has not been very great for export purposes or for feeding purposes in Canada. This, too, serves to point up the necessity of improving our storage situation. It seems to me that an area 250 miles away from the nearest inland storage elevator ought to be considered as a location for an elevator with a capacity of one and a half or two million bushels. This proposal is given considerable weight by the fact that shortly the Pacific and Great Eastern Railway will be linked up with the Northern Alberta Railway at Dawson Creek and much of the farmers' produce will be marketed on the west coast. That being the case, the use of the Edmonton internal storage elevator would be practically denied to our people in the Peace river country. It seems to me that the building of an elevator in that area which is so far isolated from the main centres would be nothing more than justice to the farmers who have pioneered that country and are making of it a great food producing empire for which the people of Canada should be thankful.

Another point in this connection is that the minister should reconsider his position with respect to off-site storage. There are many points up in that country that could use off-site storage and would provide it if they could obtain a licence. The granting of further licences ought to be considered by the minister. I would hope that the Minister of Trade and Commerce would give more favourable consideration than he has in the past to this request for an inland storage elevator located somewhere in the Peace river country. I am sure he would find upon careful study that the construction of an elevator there would not only be justified but would to a large extent relieve the situation under which the farmers in that area have to operate. As I said, they are isolated and therefore frequently are not given shipping orders from the wheat board to take care of the demands from overseas. The farmers in that area are finding it extremely difficult to pay their bills and

to keep their families supplied with food, clothing, fuel and the necessities of life. As a matter of fact they are finding it difficult to keep ahead of the sheriff in connection with machine purchases because they cannot market enough of their crops to provide them with money to meet their bills. The people in that territory would have a much better chance of earning a decent livelihood if more inland storage was provided through terminal elevators and off-site storage.

The forward-looking enterprise of the government of British Columbia in extending the Pacific and Great Eastern Railway to connect with the Northern Alberta Railway at Dawson Creek is to be commended and this will be of great assistance to the farmers in the Peace river territory when the route is completed. I wish to pay tribute to that enterprise and the vision behind it.

I would like to say a word or two concerning the question of parity prices. Other speakers from the Social Credit group have presented arguments in favour of parity prices and there are only one or two points I want to emphasize. Other hon. members of this group have declared that the Social Credit party in this house favours the establishment of parity prices for farmers. I do not think anybody could sensibly argue that farmers are not entitled to parity prices. Certainly no one on the government side of the house could reasonably argue that farmers are less entitled to parity prices than are industrialists. Industrialists get parity prices; they set their prices and many of them are protected by government policy on tariffs and customs. I think it is unreasonable to argue that farmers are less entitled to parity prices than labour is entitled to the stabilization of wages and salaries. Hon. members on the government side of the house have favoured, as we have in this group, the stabilization of wages and salaries for labour, through measures such as unemployment insurance and that sort of thing. We have also given support and consent to measures granting the labouring people in this country the right to strike, to have collective bargaining and things of that nature which enhance their chances of receiving a fair return for their labour. Having protected all other segments of Canadian society, why in the name of common sense are we so loath to come to the aid of our farming population which produces the food we need to keep alive? The Minister of Trade and Commerce and others have argued that to grant parity prices to the farmers would mean we would have to subsidize those prices. As was said so well by the hon. member for Lethbridge last night, even if we have to subsidize farm prices in order to achieve parity prices we would be perfectly justified in doing so. I strongly suspect that because farmers constitute only 15 or 16 per cent of the total population of Canada this is one reason their voice is not heard as well as it was heard when farmers constituted 80 per cent of the total population of this country.

There was a time in Canada's history when 80 per cent of the population was engaged in farming and in those days the farmer had a far better deal than he is getting today. Today with only 15 or 16 per cent of our population engaged in farming the farmer is lucky if he receives 7 per cent of the national income. That is not right, nor is it fair.

For a number of years the Social Credit group have been proposing in this house the adoption of a two-price system of marketing of Canadian farm products. That cry has now been taken up by farm organizations and even our friends of the C.C.F. now advocate it. We are glad of that because we do not feel we have any corner on the idea, not for one minute. We are happy to see them putting it forward rather than to take issue with them. We rejoice in that action because it is the only way we can ever get anywhere, that is to have a universal acceptance of the idea. We have suggested that the establishment of a two-price system would be a step toward the establishment of parity prices in this country.

There are two phases to the two-price system, as has already been suggested. One phase has to do with external marketing and I do not intend dealing with that this afternoon because it has been dealt with already by other speakers. The other phase has to do with internal marketing. It is well known that approximately 94 per cent of all farm production in Canada, exclusive of wheat, is consumed in Canada. However, the peculiar thing is that the 6 per cent that is exported governs the price of the 94 per cent consumed internally. That should never be; that is a completely wrong principle which denies fairness and justice and denies the principle of supply and demand.

Over and above that the Canadian people consume approximately 160 million bushels of our wheat, either in the form of bread and cereals or seed, but not feed for cattle. That 160 million bushels could be made a very important factor in the establishment of parity prices. Our suggestion is that since the wheat board has the control of the total supply of wheat it would be a simple matter to grant to that board the right to set parity prices on that portion of our grain which is marketed and consumed internally. If they had that right it would go a long way toward

the establishment of parity prices. There is no reason why that could not be done as it would not interfere in any way with the good work being done by the Canadian wheat board.

I know the minister and several others have expressed their opposition to the idea because they do not want the Canadian consumer to subsidize farm prices. Bless my soul, what are the consumers of Canada doing in connection with automobiles and electrical goods. They are paying a price set by a protected industry and this government is providing that protection through its policies. If that is good for the electrical industry, if that is good for the automobile industry, it ought also to be good for the farmer. My contention is that we would be justified in giving the wheat board the right to establish parity prices on all grains marketed inside Canada. If that were done No. 1 wheat would sell at approximately $2.37 per bushel which is the price which has been established as being the likely parity price, a price which would bear a fair relationship to the prices the farmer has to pay for what he buys.

If that were done what would be the result? Would it in truth be necessary for the consumers of Canada to subsidize the price? I do not look upon an increase in price due to costs as being a subsidy. Subsidies are taken out of taxation and paid over as compensatory payments to certain classes or groups, but this matter of charging a price which is fair and just is not subsidization in any sense.

It has been pointed out already, and I want to emphasize it, that if our farmers were granted a parity price for their wheat, for that portion which is used internally, it would not necessarily increase the price of bread by more than one-half cent per loaf. The reason for that is plain. Anyone who has taken the trouble to examine into the way costs have risen since 1945, labour costs, paper costs, packaging costs, retail marketing costs and so on, will have found that the great bulk of the increase in the prices of 16-ounce or 24-ounce loaves has been made up of the increases in things other than the cost of wheat. The fact is that the wheat content in a loaf of bread would not raise the retail price of a 16-ounce or 24-ounce loaf by more than one-half cent if parity prices were adopted.

Ask any person in this country who has the interests of the farmer at heart; ask the labouring man who works in industry what he would think of having to pay a half cent increase in the price of a loaf of bread, and I will guarantee that he would think it through and say: "I favour it because when the farmer gets an increase in his wheat return he is going to buy more of the products of industry and that is going to stabilize my wages or salary position."

It is well known that in those years when the total volume of wages and salaries in industry has been approximately the equal of the total volume of farm cash income there has been no unemployment, the country has been considered to be prosperous and everybody has been happy. But just let farm cash income begin to decline below the volume of industrial salaries and wages and it will not be long until those industrial salaries and wages will follow the decline and someone will be out of a job. Labour favours the establishment of parity prices for farmers because they know that the farmers constitute their best markets for industrial goods and that their chances of remaining in good jobs with decent wages depend to a large degree upon whether the farmer can buy what is being produced.

Under those circumstances and with those facts in mind I submit that we are not justified in doing anything else but give the wheat board the right to set the internal price at parity for all farm products consumed internally. So far as the external part of the parity price system is concerned, I agree that it would be necessary to establish a floor below which we would not allow that price return to go. However, that is another matter. Even so I think we would be perfectly justified in establishing parity prices all the way through in order to stabilize our economy and insulate us against the sharp declines that are bound to take place when farm cash income does not come up to the required level.

I think that is about all I wish to say at the moment in that connection, but there are two things I should like to deal with very briefly in rebuttal. These were called for last night, otherwise I would not mention them, and I am not playing politics when I do. I want to assure the minister of that.

While the hon. member for Bow River (Mr. Johnston) was speaking the hon. member for Vegreville (Mr. Decore) interpolated some questions. I have looked them over carefully as they are set out on page 1071 of *Hansard* for yesterday, and I can come to only one conclusion, namely that those questions were asked for the purpose of implying that because the Social Credit group in the house voted for the British wheat agreement we had no justification whatever for criticizing the result of the British wheat agreement. That is the only way in which I can interpret what the hon. member for Vegreville said in his questions. It is true, Mr. Speaker, that

we voted for the British wheat agreement, but at the same time we pointed out that the promise of the government would have to be kept. That promise was that if the farmers would submit themselves to a "ceiling" on the prices which they were to obtain for their wheat over a period—a price that would be lower, perhaps, than the world price—the government would protect them by stabilizing prices over a long period of time.

Mr. Howe (Port Arthur): May I ask the hon. member a question. When was that promise made? As I remember the situation the British wheat agreement provided a better price for wheat than we were getting at the time, and everyone thought we were getting a good deal. The hon. gentleman said, "We might have liked the deal you made but we may not like the way it works out." I think you have to make up your mind whether it is a good deal or not when you sign the document.

Mr. Low: I think that if the minister had listened to what I was saying, and allowed me to continue, he would not have needed to make that interpolation. I do not blame him for being a little nervous these days.

Mr. Howe (Port Arthur): Not nervous. Just bored.

Mr. Low: I will give the minister an answer to his question—

Mr. Knowles: Parliament always bores the minister.

Mr. Low: Here again are the words of the prime minister of this country, Mr. King, as spoken over the radio on September 4, 1943.

> I wish tonight to thank the farmers of Canada for their magnificent contribution to the battle of production. I wish again to appeal to them to continue to help hold the front line against inflation by continuing to support the price ceiling. If, to help win the war, the farmers are asked to accept a ceiling on prices, we believe they are entitled to a floor under prices to ensure them against an agricultural depression after the war.

Mr. Howe (Port Arthur): There was no ceiling on wheat, ever.

Mr. Low: The minister cannot possibly defend that position, and when he speaks in rebuttal I challenge him to defend that.

Mr. Howe (Port Arthur): I am stating a fact. If the hon. gentleman will tell me when the ceiling was placed on wheat—

Mr. Low: Mr. Speaker, the minister knows full well that wheat was sold to the millers in Canada under exactly the same terms as the British wheat agreement. He knows, too, that throughout the war Canadian farmers were forced to sell their wheat to Canadian millers at prices well below world prices. He knows that.

[Mr. Low.]

Mr. Howe (Port Arthur): What has that to do with the present bill?

Mr. Low: It has a lot to do with it, especially since you butted in. I just want to point out that the Prime Minister of this country did give a firm and unequivocal promise. He went on to say:

> As an essential part of its post-war policy, the government intends to ask parliament at the next session to place a floor under the prices of main farm commodities.

Mr. Speaker, I do not wish to say too much more about that, except this. Speaking in the debate in this house in 1947 on the question of the British wheat agreement, my hon. friend from Acadia had this to say—and it puts our position perfectly plainly in connection with the agreement which at that time was under consideration. He said, at page 746 of *Hansard*:

> I believe that the wheat agreement with Britain was fully justified but it does entail in its early stages a considerable sacrifice on the part of our farmers. We feel that the sacrifice should be borne by the people of Canada as a whole—

That has been the position we have taken right from the beginning, and we took that position because it began to be perfectly plain that under this agreement the government's policy was to make the Canadian farmer bear the whole cost of lower prices, and not to distribute that cost over the whole of the population of Canada. The minister knows that that is so, and later the government did acknowledge, in part, its responsibility for the fact that the wheat agreement had failed the farmers to a certain extent, by granting to them a payment of $65 million which was, of course, only a pittance compared with losses amounting to something like $500 million.

Mr. Hosking: Sixty-five million dollars a pittance?

Mr. Low: Compared with the total figure involved.

Mr. Dickey: In Social Credit terms that is a pittance.

Mr. Low: Sixty-five million dollars was a compensation that this government decided, arbitrarily, that they would give to the farmers, and even that came from a left-over pot in Britain.

Mr. Decore: They paid $32 million last year for the storage of grain.

An hon. Member: Is that Liberal policy?

Mr. Low: There was one other reason, Mr. Speaker, why I felt I should say a word in rebuttal—I will be finished in three minutes.

Mr. Howe (Port Arthur): You only have one minute left.

Mr. Low: If the minister would rather I called on the clock I will be glad to do so, but I imagine he would want me to finish so he can get his bill through.

While the hon. member for Comox-Alberni (Mr. Barnett) was speaking last night he used the tar brush quite liberally, and suggested that the whole Social Credit group was speaking out of both sides of their mouths at one and the same time.

An hon. Member: Just what you would expect.

Mr. Low: He called, he said, for a more balanced expression of views from the Social Credit group as to why they were prepared to endorse this legislation if they were prepared to oppose similar moves in other fields under discussion. I gathered from the tone of his speech and that of the hon. member for Dauphin (Mr. Zaplitny) that they resented anybody else in this house supporting the wheat board or giving any indication that they favoured this idea of marketing. Evidently they think they have a corner in this idea and that it is a socialist idea.

Mr. Speaker, I deny that they have any corner with regard to the orderly marketing system now being carried on by the wheat board. I deny that is was a socialist idea in the beginning and I deny that it is a socialist idea now. We have given every indication of supporting it in the same way as they have, but let me just point this out: As I understand it, the hon. member for Comox-Alberni was simply indicating that he did not know very much about socialist experiments in this country. I will tell you something that we have been opposed to but which the socialists have gone along with. I refer, for example, to the timber board in Saskatchewan.

An hon. Member: And the fish board?

Mr. Ellis: What about the fur-marketing service? Are you opposed to that?

Mr. Low: The hon. members are just giving evidence of what I was going to say. The socialists did support the government's intervention into these fields and the imposition of a government compulsory service under which they took away from the people the right to their own individual enterprises.

An hon. Member: Is the wheat board not such a body?

Mr. Low: Just listen until I am through and you will get the answer. In the case of the timber board in the province of Saskatchewan the government moved in and took over timber berths that had been in the possession of private enterprise.

Some hon. Members: No.

Mr. Ellis: You do not know what you are talking about.

Mr. Nicholson: Crown timber only.

Mr. Ellis: Stick to Alberta.

Mr. Low: They forced the timber people to sell their lumber to the board at a price.

Mr. Nicholson: Crown lumber.

Mr. Low: Then they turned around and marketed that lumber at a greatly enhanced price and instead of returning the benefits to the producers they kept them themselves.

Mr. Ellis: Who are "they"?

Mr. Nicholson: The people of Saskatchewan.

Mr. Low: I am speaking of the government of Saskatchewan.

Mr. Harrison: The heelers of the government.

Mr. Speaker: I am afraid it would be better for all concerned to call it one o'clock because we will not get any further ahead now.

Mr. Cardiff: Mr. Speaker—

Mr. Speaker: Not now, it is one o'clock.

Mr. Low: I should like to call it one o'clock because I want to finish.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Low: Mr. Speaker, I was in the process of explaining why we support the Canadian wheat board and the present bill when I was interrupted at one o'clock. I would just like to take one or two minutes in which to finish what I had to say and then to help the minister get his bill through if we can.

In the first place, the Canadian wheat board was established as a consequence of the demands of the overwhelming majority of the wheat producers in western Canada for a marketing board of that type. It was not imposed by the government upon the farmers. It was given to them as a result of a request for such a board. That is the first important thing. It seems to me that when the overwhelming majority of the producers in any division request some form of marketing service which will be theirs, we have no alternative but to grant it to them if we can.

Mr. Speaker, the wheat board has continued to operate as an agency representing the producers themselves and certainly in no way can be considered to be a government agency imposed upon the farmers. That is quite distinct from the kind of thing that the socialists would do. The socialists would not wait for the producers in any division to express their desire to have a marketing board of this kind. If they took it into their heads to do so, they would impose it by compulsion on those producers, just as they did in the case of the lumber board in Saskatchewan. The difference between the two ideas, the two types of marketing agency, is this. In the case of the wheat board, having been requested by the producers and having been granted control over 100 per cent of that type of production, the board goes ahead and markets and pays back to the producers the total of the moneys taken in the process of marketing the goods, less perhaps some of the costs of the service of marketing. On the other hand, the lumber board in the province of Saskatchewan was not set up as a consequence of the demand of the lumber producer. In the second place it was imposed by the government as a compulsory service, whether the people wanted it or not. In the third place—

Mr. Nicholson: You can sell your own lumber.

Mr. Low: Just a minute. When the lumber is produced in the province it has to be sold to the government.

Mr. Nicholson: You can sell your own lumber to anybody.

Mr. Low: Wait a minute. Ninety-nine per cent of the lumber that is produced in all the provinces of Canada is produced on crown lands.

Mr. Nicholson: Oh, no.

Mr. Low: It certainly is and there is no exception. Ontario is no exception.

Mr. Johnson (Kindersley): The lumber belongs to the people.

Mr. Ellis: You want to give it away to United States interests.

Mr. Low: The third point I want to emphasize is this. When the lumber producers in the province of Saskatchewan produce the lumber, they are forced to sell it to the board and the board just pays to the producer a very small return, less than half what the board sells for on the world market.

Mr. Nicholson: They contract—

Mr. Low: When you begin to tie a tin can to these braying jackasses' tails, they make a lot of noise.

Mr. Nicholson: You fought that in Saskatchewan last year.

Mr. Low: You fight it all the time when you can make a lot of noise in order to try to bray somebody down. But I assure you that you cannot bray me down. The fact is that the lumber board does not distribute back to the producers the difference between the small price which that board pays to the lumber producers and what they get for the sale of the lumber in the markets of the world.

Mr. Nicholson: They distribute to all the people in your province.

Mr. Speaker: Order.

Mr. Low: The difference between the two marketing ideas is perfectly clear when you compare the Canadian wheat board and its operations and the lumber board and its operations in the province of Saskatchewan. Our position is simply this. We do not support in any form the kind of thing that is envisioned in the Saskatchewan lumber board. We support and have always supported the kind of marketing agency that is represented in the Canadian wheat board, one that is set up as a consequence of a demand of an overwhelming number of producers who get the full benefits of the returns from the sale of the products.

There is one other point I wish to make. The hon. member for Comox-Alberni (Mr. Barnett) asked why we would not support the setting up of a lumber board or a timber board in British Columbia. The answer is perfectly simple. The people of British Columbia who are in the lumber-producing business have never asked for such a thing.

Mr. Johnson (Kindersley): They do not produce the lumber. They just cut it.

Mr. Low: The lumber producers have never asked for such a thing. The people of British Columbia gave a good answer to that question in the last election when they very definitely turned down the socialists and put a Social Credit government into office. I think that is the answer. Our position on the wheat board is perfectly clear. No matter how many statements are made in an effort to tar-brush our group,—

Mr. Ellis: You are able to white-wash it.

Mr. Low: —they cannot get anywhere with it. We do not believe in socialism. We believe in the right of the producers of this

country to have a marketing agency of their own that will operate for them and not for the government of the day.

Mr. Speaker: Does the hon. member for Huron wish to ask a question?

Mr. Cardiff: The minister made a statement this morning that there was never any ceiling on wheat. I should like to ask what difference there is between a ceiling on wheat and selling below the world market price.

Mr. Speaker: I thought the hon. member for Huron wished to ask a question of the hon. member who just resumed his seat. But if it is a question that he is addressing to the minister, I am afraid that he will have to ask it when the house is in committee, or perhaps the minister when he has the right of reply may give his answer then.

Mr. H. A. Hosking (Wellington South): Mr. Speaker, it is not my intention to delay this debate—

An hon. Member: Then sit down.

Mr. Hosking: —but I should like to make some remarks for about five minutes only. I make these remarks only because the debate criticizing the wheat board, has gone on February 1, February 6, February 7 and February 8. During these days we have listened to complaining, snivelling and whining—

Mr. Blackmore: Nothing of the kind.

Mr. Hosking: —by the socialist members for all those days. I should like to point out that this is a simple bill to extend the date to which the wheat board can operate.

Mr. Johnson (Kindersley): It is still not simple enough for you.

Mr. Hosking: Because of that fact it is of little interest to the people in my part of Ontario. But I think we should point out to those members from the west who are continually criticizing the Minister of Trade and Commerce (Mr. Howe) that the people in my part of the country have been extremely favourable to those in the west. I need only recall what happened when I was a little boy when the government of Canada used to subsidize the fares on the railways so that our farmers' sons could go out and work in the west. Our farmers in the east used to send their sons out to help the western farmers take off their crops. Then when the depression came along I can remember that our church collected clothes and that we sent bales of clothes out to the people in the west. We did this because we thought that the western people were proud, hardy farmers who were trying to make a living in this country and that they honestly needed help. Since I have been a member of this house I voted to give $65 million to these western farmers.

Mr. Ellis: The farmer's own money.

Mr. Hosking: I heard it called a mere pittance in the house today. When beggars get to the stage that they call $65 million a mere pittance, I am beginning to wonder if perhaps the description of the hon. member for Assiniboia (Mr. Argue) of his farmers is not pretty close to correct. I would much rather think that the hon. member for Moose Jaw-Lake Centre (Mr. Thatcher) describes them properly when he says they are proud hardy individuals who only want fair play,—

Mr. Ellis: They are still asking for fair play.

Mr. Hosking: —such as the minister is giving to them by this bill. Last year I believe we voted them some $32 million for the storage of grain. This year there will be another $29 million, I suppose. It should be remembered that the farmers and others in the east, the people who live in Ontario, pay one-half of this money. If it were not for the fact the Minister of Trade and Commerce persuades the Liberal members of this house that this help is required to give a balanced economy in Canada, I am quite certain it would not be voted by the members of parliament who come from Ontario. The C.C.F. members speeches would persuade us not to vote for this bill.

Mr. Johnson (Kindersley): Do you mean to say that the Liberals generally do not favour it?

Mr. Hosking: If this is a bad bill as the socialist members particularly state by their criticism that the wheat board is badly handled, that it is not a good thing, then I would suggest that perhaps the time has come when some of us should take another look to see if we should continue paying half of the subsidies that go to western farmers.

Mr. Johnson (Kindersley): That is a Liberal attitude for you.

Mr. Claude Ellis (Regina City): I might say it had not been my intention to participate in this debate until remarks were made within the last 20 minutes or so. I am a little concerned about the remarks made by the speaker who has just resumed his seat. I am hoping that his Liberal colleagues from the province of Saskatchewan will take this opportunity of setting him right on a few of the very grave misconceptions under which he is labouring at the moment.

One thing which has concerned me, Mr. Speaker, has been the tendency on the part

of the Liberal government to feel that when they are making payments on wheat they are handing out a gift to the farmers who grew the wheat. Such an attitude, of course, completely ignores the whole principle of the wheat board. When a farmer is paid an initial price and then the books are closed there is a final payment, and that money belongs to the farmer. I resent this tendency on the part of the Liberal government to hand out these payments just before election time with the deliberate intent of creating the impression that the money is coming out of the pockets of the members of the government or the Liberal supporters of the government.

There has been enough of the line of argument just presented by a Liberal member in this house, that I think it is high time some of the Liberal members from Saskatchewan who know better put the man right. I am suggesting that the hon. member for Qu'Appelle (Mr. Mang) or the hon. member for Swift Current-Maple Creek (Mr. Studer) or the member for Moose Jaw-Lake Centre (Mr. Thatcher)—although he spoke, he did not speak on the resolution but talked about Saskatchewan politics in the main—and some of these other members who have just taken part in the debate should seek to set the record straight. It is their job, because after all he is one of their colleagues. I am just wondering whether or not the member for Qu'Appelle, the member for Swift Current-Maple Creek and the member for Moose Jaw-Lake Centre are not actually uncomfortable over remarks of the type just made because they indicate a complete lack of understanding on the part of Liberal members in this house. I blame the Liberal members from Saskatchewan for their failure to acquaint their colleagues in this house with the problem.

Mr. Thatcher: Mr. Speaker,—

Mr. Ellis: You sit down.

Mr. Thatcher: You asked me a question; why don't you let me answer it?

Mr. Ellis: You made a speech the other day. You can sit down.

Mr. Speaker: Order.

Mr. Ellis: So far as interruptions are concerned, I am not too concerned about them.

Mr. Speaker: Order. I take it the hon. gentleman does not wish to be interrupted at this moment.

Mr. Studer: He asked for interruptions.

Mr. Ellis: The hon. member for Swift Current-Maple Creek is now in his seat and I would be happy to hear him make a speech immediately after I have concluded.

Mr. Studer: The hon. member—

Mr. Ellis: Do not interrupt.

Mr. Speaker: Order.

Mr. Ellis: We have heard remarks in this house about calamity howlers, and so forth. I am going to place on the record a statement made just the other day. I am going to give you the statement of a member in the Manitoba legislature:

> A member for the Manitoba legislature urged immediate action to save Manitoba farmers from a situation they are unable to cope with and ease a crisis that threatens disaster to agriculture in the province.

Mr. Howe (Port Arthur): Mr. Speaker,—

Mr. Speaker: Order.

Mr. Howe (Port Arthur): I understand it is not the practice in this house to introduce into debate the opinions of people from outside of this house. Further, the bill has nothing to do with the subject matter of the present discussion. I do not mind a loud voice being the cover for an empty mind, but I think there should be some respect for the subject matter under debate.

Mr. Ellis: I want to assure the members of this house that I am not concerned about the insults which are frequently hurled in my direction, in this case by the minister, by the members of the house because I feel that rude remarks do not compensate for a lack of logic or reasonable argument.

A remark was made by the leader of the Social Credit group a few minutes ago, and there have been a number of interjections of that type from this group. As a matter of fact, this morning a Liberal member took exception to a statement in the press to the effect that she had told a member to shut up. The only member in this house whom I have ever heard shout "shut up" was the hon. member for Macleod (Mr. Hansell). I do not feel that is a substitute for a reasoned answer. I can appreciate his concern at times and his desire to avoid criticism of the things he has to say, but I suggest that he give logical answers rather than simple, rude remarks which I do not think add to his stature or the stature of the house itself.

A moment ago, Mr. Speaker, I placed on the record a statement made in the Manitoba legislature by a Liberal M.L.A. Now, there is a calamity howler for you. Here is a Liberal in the Manitoba legislature who has courage to do what the members here should be doing in this house. They should be up on their feet presenting the case for their wheat growers in their constituencies, yet

they sit in supine silence. If they agree with government policy, if they think the government is doing all it should do for the wheat producers, let them get up and defend the government and not sit in their seats. They will not say they are for it and they will not say they are against it. I suggest that they emulate the example—

Mr. Studer: We will vote for it.

Mr. Ellis: —of their colleague in the Manitoba legislature who placed on the record the situation as it actually is in his own province of Manitoba. I suggest that these Liberal members, if they were doing their job, would be presenting the situation as it exists in their particular part of the country and would be standing up in support of representations being made on behalf of the agricultural industry.

Mr. Studer: No one believes a socialist member.

Mr. Speaker: Order. May I ask all hon. members in all parts of the house to cease this practice of interrupting the member who has the floor. It has reached the point where we cannot follow a discussion according to the rules, and the method of interruption is not in accordance with the decorum which should be kept in this house.

Mr. Howe (Port Arthur): Mr. Speaker, would you mind ruling on the matter of relevance. It seems to me that the remarks which have been made by the hon. member have not touched on the subject matter of the bill. They have touched on nothing important and represent mere ranting of my hon. friend, relevant to nothing.

Mr. Speaker: As to that, I must say the debate has been proceeding for several days now. I have not been in the house throughout the entire debate and when a matter of this kind is debated at great length hon. members are bound to make certain comparisons and to go over the various declarations that have been made from time to time; then in the rebuttal that is being addressed to the remarks made by previous speakers it may be necessary for someone to advance arguments which necessarily are aside from the matter which is under discussion. From the point of view of strict relevancy there is not very much in the bill that must be discussed at this time. However, the discussion has ranged far afield and from all indications I think the discussion should be terminated rather shortly. Until then I think we ought to allow the same latitude that was allowed previously.

Mr. Ellis: Thank you, Mr. Speaker, for your ruling. When the minister spoke I noted that he ranged far and wide.

Mr. Diefenbaker: He certainly did.

Mr. Ellis: He discussed matters of a very general nature.

An hon. Member: Including the Gordon commission.

Mr. Ellis: A colleague of mine reminds me that he discussed the Gordon commission report. I also noted that the minister's colleague the hon. member for Moose Jaw-Lake Centre (Mr. Thatcher) devoted a great deal of his time to discussing matters which could have no relevancy to any debate that might take place in this house. I want to assure that hon. gentleman and members of the house that if they wish to discuss Saskatchewan internal politics we will be only too happy to oblige. There is nothing that would give us greater satisfaction than the opportunity to debate at great length the activities of the government of the province of Saskatchewan.

The hon. member for Moose Jaw-Lake Centre the other day dealt with matters that have been bandied about in the province of Saskatchewan during the past ten years. They were rejected by the people of Saskatchewan in provincial elections and it was that sort of campaign which drove the hon. member for Rosthern (Mr. Tucker) out of provincial politics and sent him down to exile in this chamber. I am appalled when I consider the depths to which some hon. members sink in their discussion. I am thinking now of a statement made the other day by the hon. member for Moose Jaw-Lake Centre, for example, concerning the connection of two ministers with a drive-in theatre. They have had no connection with that enterprise for three years and yet either through sheer ignorance or simply in an attempt to convey an entirely erroneous impression the hon. member resorted to an attack of the sort which the people of Saskatchewan have rejected in previous elections. I do not think there is any point in answering charges of that nature on the floor of the house at this time. I do not think it is worth the time that would be required to untangle all the erroneous statements that have been made.

I remember when the hon. member for Moose Jaw-Lake Centre participated in the debate on the pipe line. He did not talk about the pipe line but made a speech containing 15 inaccurate statements in the space of a few paragraphs.

Mr. Speaker: Order. Although the hon. gentleman may take wide latitude I think he should return now to the wheat bill that is before the house.

Mr. Ellis: Well, Mr. Speaker, just prior to the time the hon. member for Peace River (Mr. Low) resumed his seat he gave us a little dissertation on the principle of orderly marketing. He was attempting to show us the difference between the marketing of timber and the marketing of wheat. It seems to me he missed the whole point of the argument because one thing that must be remembered is that the wheat belongs to the individual farmer who grows it. I observed that hon. members across the way were agreeing when he admitted that most of the lumber is on crown land. The lumber belongs to the people of the province. There is the essential difference which my hon. friends for some reason or other cannot appreciate and I suspect it is simply because they do not want to recognize that difference. To try to suggest there is no pressure by the lumber producers for the sort of board we have established for the wheat producers is rather a spurious argument to say the least. I realize, of course, that the policy of the Social Credit party is simply to turn over our natural resources lock, stock and barrel to the big interests, the people from whom they are seeking financial support. I noticed a reference in the press the other night to a letter which was being mailed to all the big interests of this country by the Social Credit party soliciting funds for that party and I just wonder whether they included members of the Winnipeg grain exchange in the distribution they made of that letter.

An hon. Member: What about the lumber interests?

Mr. Ellis: You will get it all. MacMillan and Bloedel and other lumber interests pretty well have a stranglehold in that province. That is your method of doing it in British Columbia.

Mr. Speaker: Order.

Mr. Ellis: The lumber resources belong to the people of Saskatchewan and the idea that for some reason or other the relatively few people who are in the lumber business have priority rights that transcend the interest of the general public is something with which I cannot agree. In actual fact no one sells lumber to the timber board. The timber board hires people to cut the lumber because lumber belongs to the people of Saskatchewan and as long as there is a C.C.F. government in that province that is the way it is going to be.

Mr. Lesage: On a point of order, Mr. Speaker, what has lumber to do with wheat?

Mr. Speaker: Order. I do not know if the minister was in his seat just before one o'clock, but comparisons have been made between the wheat board and the timber board in the province of Saskatchewan and I take it that previously in this debate remarks were made by some hon. members with respect to the attitude of others in relation to the policies of the wheat board as compared to the policies followed by the timber board. Just prior to one o'clock the hon. leader of the Social Credit Party gave a rebuttal to these arguments and I understand the hon. member for Regina City is now answering the hon. member for Peace River.

Mr. Ellis: Yes, Mr. Speaker. I certainly had no intention of talking about lumber today—

Some hon. Members: Oh, oh.

Mr. Ellis: —but when an hon. member decides to introduce that subject during the course of a debate I think some effort should be made to set the record straight and that is precisely what I proposed to do at this time. However, I am not going to pursue that matter further in deference to your desire to see a quick end to this aspect of the debate.

There is one other matter which I think should be closely examined. When the hon. member for Peace River was speaking a number of hon. members asked about the fur marketing service. From what I can gather the hon. member for Peace River is opposed to the fur marketing service. In the past Liberals have gone up and down the province of Saskatchewan opposing the fur marketing service and yet that service in principle is precisely what the wheat board is, a marketing agency for a particular product.

An hon. Member: Where is it now?

Mr. Ellis: How can it be that in one breath a man can say he is all for the wheat board and he is all for the principle of orderly marketing while in the next breath he condemns exactly the same principle in another field of economic endeavour. It seems to me that if you are going to be logical you must be consistent. You cannot praise one form of orderly marketing and damn another. That should not be done even for political reasons.

I think the statements made by the hon. member for Peace River were completely uncalled for and I think that if hon. members will read the speech made yesterday by the

hon. member for Comox-Alberni (Mr. Barnett) they will find he gave a very dispassionate and reasonable address—

Some hon. Members: Oh, oh.

Mr. Ellis: —in which he made a few statements that I am sure have ruffled the feathers of some of the members of other parties who come from the province of British Columbia.

I am going to make this comment, Mr. Speaker, concerning some of the statements which have been made in this debate about the wheat board. It is now becoming the fashion for Liberal politicians to attempt to place the wheat board in the very untenable position of being responsible for all the blunders and mistakes of the federal Liberal government. They suggest that anyone who takes issue with anything done by the Minister of Trade and Commerce and anyone who criticizes the marketing policies of this government is in some way attacking the wheat board. That line of argument in itself is the most dangerous path along which anyone could go with respect to the future of the Canadian wheat board. The wheat board is not responsible for the impasse in which the agricultural industry of this country finds itself at the present time. The wheat board is a creature of the government and is not responsible for the government's marketing policies and its failure to find markets for our wheat. This effort on the part of Liberal politicians to suggest that any attack on the government or any questioning of the government's agricultural policies indicates a lack of support for the wheat board is of course very skilful to say the least. I would say that, as far as the protestations made by Liberal members concerning the support of the wheat board are concerned, there are three points on which they can be judged.

In the first place, they did not want the wheat board. They fought it tooth and nail when it was first introduced into this house. After they came into power they sought to destroy it by underhand methods by means of an order in council which would have had the effect of destroying its effectiveness. However, as a result of the protests by farmers throughout western Canada they realized that they dared not go through with their plan. They then adopted the stratagem —I have forgotten the author of this little expression: if you cannot beat them, join them.

When they realized it was not politically wise to go on opposing the wheat board they turned around and said, "Of course, we are great friends of the wheat board." The hon. member for Moose Jaw-Lake Centre (Mr. Thatcher) indicated that quite clearly the other day when he said that in his opinion 99 per cent of the farmers on the prairies were in support of the wheat board. I agree with him. By that statement he indicated why Liberal members dared not openly oppose the wheat board. They have come to the position where they must at least pay lip service to it.

As far as the Social Credit members are concerned, those who represent agricultural constituencies in Alberta have from their past association learned that the wheat board is doing a great thing for the agricultural industry, but I am thinking now more of the party as a whole and its propaganda. They go out and talk against compulsion; they condemned the hospitalization scheme because of the feature of compulsory contribution. A few years ago the leader of that party was reported in *Maclean's* magazine as being against any form of contributory plan if it was compulsory. Now they wonder why some people are a little dubious about the depth of their support for this principle of orderly marketing. They tried to destroy it in British Columbia. I realize that some of these statements are very unpalatable to my friends to my left, but nevertheless I think they should take them into consideration.

Another aspect of the protestations by Liberal members is in connection with the request of this group that the legislation be made permanent. I realize that at times legislation is introduced to set up a board of commission in connection with which there may be some reasonable doubt as to its effectiveness, whether it will accomplish the purpose for which it is being set up, but here we have a case of the wheat board being set up in 1935 and continuing to function in spite of the early efforts of the Liberal party to destroy it.

The very fact as stated by the hon. member for Moose Jaw-Lake Centre the other day, that 99 per cent of the farmers of the prairies are in support of the wheat board, indicates the logic of not denying the request that this legislation should set up the wheat board as a permanent feature. Today the member for Peace River (Mr. Low) indicated his opposition to the setting up of the board on a permanent basis.

Mr. Low: Mr. Speaker, I am rising on a question of personal privilege. I do not mind the hon. member saying anything he wants to say that is true, but when he stands up and says something that is absolutely untrue involving me I must protest. I said nothing of the kind today. I did say that I was not

opposed to making the Canadian Wheat Board Act a permanent act, but I said I did see some advantages in the method being used today to extend its life five years at a time.

Mr. Ellis: I must thank the hon. member for intimating that he agrees wholeheartedly with all the statements I have made up to this time concerning that particular point.

Some hon. Members: Oh, oh.

Mr. Low: The hon. member for Regina City (Mr. Ellis) has misstated something else. I did not indicate by anything that I said that I agreed with everything he had said previously, nor with any part of it. When he deliberately tries to put words in my mouth which are untrue I must intervene. I intervene again. I will say that 99 per cent of what he has just said is utter hoopla.

Mr. Ellis: I was under the impression that the hon. member had indicated some reluctance to support the permanency of the wheat board. However, I will accept his correction of that particular statement. I suggest that Liberal members in this house have a duty to their constituencies. First of all, they have a duty to stand up in their places in this house on occasions such as this to present the views of the people in their constituencies. I am convinced that the farmers in the Qu'Appelle constituency are not happy with the situation which prevails in that area. While it is true the hon. member for that constituency may take some comfort from the fact he has a few people who may have expressed satisfaction, from my observations and from speaking to people in that area I know that there is as much dissatisfaction in his constituency as there is in the constituencies of the hon. member for Kindersley (Mr. Johnson), the hon. member for Dauphin (Mr. Zaplitny) and the hon. member for Humboldt-Melfort (Mr. Bryson). They have a duty to their constituencies to present the cases of their constituencies in as forthright a manner as possible.

I suggest that if they honestly believe that this government is doing all it can for the farmers in their constituencies they should do the right thing and get up and defend the government on the floor of this house.

Mr. Thatcher: I would like to know if the hon. member for Regina City (Mr. Ellis) knows that the destructive speeches which the socialists are making here are undermining the wheat board in the minds of members from other parts of Canada.

Mr. Ellis: Mr. Speaker, I think you will agree that that is hardly a question. It is not even phrased as a question, it is just an effort to get a point of view across.

Mr. Thatcher: If you talk much more nonsense we will not have a wheat board.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, it is not my purpose to say more than a few words in closing this debate. As I have said before, the bill is very simple. The effect of its provisions is to make three changes in dates in the bill, from August 1, 1957 to August 1, 1962. That is the whole purpose of the bill.

I opened by making a few remarks about the wheat board. We have heard the spokesmen for all three parties say that they favour the bill. I think there is every evidence that the Liberal party is unanimously in favour of the bill and I am satisfied that the official opposition is in favour of the bill. The suggestion has been made that the board should make payments on farm-stored grain.

In that the official opposition differs from the other parties because, I noted, the other parties say someone other than the wheat board should make advances on farm-stored grain. I would like, Mr. Speaker, to correct the impression which the socialists are trying to convey that the board is a great socialist experiment operated by the government. That is totally untrue. The wheat board method of marketing antedates the socialist party. I do not think there was a socialist in Canada when the wheat board method of marketing was originated in 1924 or 1925. Until the depression came along to interfere with its functioning, the board operated entirely as a voluntary organization of prairie farmers running their own business of selling wheat. The only difference between the board as it functioned then and as it functions now is that the government nowadays guarantees the finances used by the board in carrying on its operations. And, more recently, it has taken over part of the wheat pool surplus and is carrying it on government account. That is the only difference, and to claim that the board is socialistic, or that it has any particular love of or tie with socialists is completely false.

The board is a farmers' board. Operating expenses of the board are paid by the farmers themselves. The board is advised by an advisory board made up entirely of producers and producer organizations. Moreover, the authority for setting the price of grain is vested in the board and not in the government—it has been vested by this parliament in the board itself. Let us, therefore, get rid of the idea that there is anything socialistic about the wheat board.

Mr. Speaker, I said I believed that the official opposition favour this bill. I do not believe for a moment that the socialists favour the bill. They say they favour the bill, but—just sit down—what did they say about the wheat board?

Mr. Johnson (Kindersley): I would like to know on whose authority, or on what statement made in the house, the minister can base the ridiculous statement that members of the C.C.F. party do not favour the principle of the orderly marketing of wheat.

Mr. Howe (Port Arthur): I will be glad to elucidate. The marketing of Canadian grain is essential to the Canadian economy. I am sure that is true. And we think that a market for Canadian grain must be preserved—a market which will return the value of Canadian grain to the Canadian economy. The United States is in a different position. The United States was never an important factor in the world market for wheat until towards the end of the second world war. The economy of the United States does not depend on the export of wheat. Through internal policies the United States has built up production of wheat in excess of its requirements, and it has undertaken to market that surplus wheat in a way which we believe is destructive of Canadian markets and of the position of Canadian wheat on the world market.

We have protested about these methods. The socialists tell us these methods of United States selling are right. Several speakers, both in the Social Credit party and in the C.C.F. party, say that is the way to market wheat. Do they mean to tell me that a man who is supporting the wheat board in Canada would make that statement? Could anything be more ridiculous? We have heard a good many strange statements, particularly from the C.C.F. party, and I hope the people in the prairies will read these speeches which C.C.F. members have been making. If they do I think we will have fewer C.C.F. members in the next house than we have in the present house.

An hon. Member: A lot less.

Mr. Howe (Port Arthur): I do not know that the disagreement with the United States about marketing methods has any particular place in this discussion. As I say, I have protested about others talking about everything but the bill and the wheat board, and I think, perhaps, I had better keep to the text.

There is one matter I might deal with, and that is the question raised by the hon. member for New Westminster (Mr. Hahn) as to why Alberta grain cannot be bought directly from farmers by feeders in British Columbia. This act provides that the wheat board shall be the sole marketing agency for wheat in the designated area, that is, in the prairie provinces. You may say that it is not the sole marketing agency because one farmer can sell to another—in other words, that a farmer can be a marketing agency. Well, we try to carry out the intention of the act that the wheat board should be the sole marketing agency, and in doing so we use every method consistent with the powers of the federal government.

We can legally prevent wheat moving across interprovincial borders; we can prevent wheat moving across the international border; we can prevent wheat not marketed through the wheat board moving on the railways; and we can prevent wheat not under the control of the wheat board being received at government elevators and feed mills which are agents of the wheat pool. We do all that. But we cannot prevent one farmer selling to another farmer within the same province. Only the government of the province itself can do that. Each province has, in the case of barley and oats, passed legislation regulating sales within the province. However, this government cannot do it, and we do not attempt to stop it—in other words, as far as we are concerned it is legal for one farmer to sell to another farmer within a province.

Mr. Harkness: Would the minister permit a question?

Mr. Howe (Port Arthur): I would prefer he did not interrupt me in the middle—

Mr. Harkness: I understand you to say that the provinces had all passed legislation to prevent one farmer selling oats and barley to another. That is strictly not the case, is it?

Mr. Howe (Port Arthur): What the provincial legislation is I am not too sure, but certainly provincial legislation prevents farmers selling to feed mills within a province. Whether it would prevent one farmer selling to another, I do not know.

Mr. Harkness: I am quite sure it does not.

Mr. Howe (Port Arthur): However, the point I am making is that so far as it lies within federal authority we carry out the spirit of the act. For that reason it is not possible for any individual to take wheat across a provincial border. No individual can do that legally under the provisions of the Canadian Wheat Board Act.

A farmer can buy wheat from the wheat board. He does not get the discount that a farmer in distress may be willing to give on wheat for which he needs quick cash. I think farmers are realizing more and more that it

is not good business to discount their wheat too quickly for the sake of a quick sale.

That is the situation, and I would like to make it clear. There are certain farmers in British Columbia, within the designated area, who have protested that they cannot take their wheat to Vancouver. They could—if they could do it without crossing an interprovincial border. But we do not ask those farmers to stay in the designated area. We are quite willing to remove those districts in British Columbia from the designated area and let them sell their wheat where they like. We have put that proposal to them, and it has been turned down unanimously as far as I can find out. But in dealing with the wheat board they must take the good with the bad and obey the rules, and that applies to the farmers of British Columbia just as it applies to the farmers of the prairie provinces.

The wheat board has a very difficult job. It is attempting to maintain order in world markets for wheat. It is attempting to maintain a stable price in world markets, and it is being undercut in many of those markets by competitors who do not have the same desire for stability. Happily we have maintained the price and at the same time have been able to sell something like our proportion of world markets. We think that when the United States wheat surplus is disposed of and the Americans retire from the markets, as they are pretty sure to do unless the subsidy on American wheat is continued indefinitely, we will have a world market on which Canada can trade as she did in earlier days. But it is a very difficult job and every discussion we have here in the house always has a depressing effect on the sale of wheat. For example, the suggestion is made that we should follow the American practice and put wheat afloat unsold that can be offered through brokers at prices lower than the market price. Every suggestion of that kind makes the task of the wheat board more difficult and is always reflected in the sales of wheat for a period after these debates take place.

In my opinion we have gone far afield in this debate. We have taken up matters that have no reference whatever to the proposal I am making to the house, and I think the wheat board has been the sufferer as a result. I do not know what we can do about wheat legislation. Last year I had a reasonably simple bill requested by a great number of people from the prairies. It was filibustered here for weeks. This is the fourth day of debate on this very simple bill to change a date. I have another bill in mind that should be put through at this session and I think that legislation I have in mind will be required. A great many people on the prairies want it. I cannot ask for the time this session from the leader of the house which would seem to be required to put that bill through and it may have to go over until the fall or whenever we have another session. I might try it for a day. If it goes through, all right, but if it does not the bill is out. But I think the idea that we can tie up the House of Commons for weeks to change a date in an act just because the bill refers to wheat is a theory that is untenable.

[Mr. Howe (Port Arthur).]

Mr. McCullough (Moose Mountain): I wonder whether the minister would permit a question.

Mr. Howe (Port Arthur): No. I do not want to be interrupted. I think that is all I have to say at the moment. I must say that as far as I can see the reasonableness of the ideas that have been put forward is just about in inverse proportion to the length of time taken to make the speech in the house and I think the loudness of voice has been in inverse ratio to the sensible material of the speaker's discourse.

Mr. Speaker: Is the house ready for the question?

Mr. McCullough (Moose Mountain): I wonder whether I can ask the minister a question. Does the minister think that four days' discussion of the important topic of selling Canadian wheat is too much time for the Canadian parliament to take?

Mr. Howe (Port Arthur): Mr. Speaker, this bill has nothing to do with selling Canadian wheat. It has to do with whether the wheat board will be continued for another five years.

Mr. Hahn: May I ask the minister a supplementary question with respect to the matters I raised the other day?

Mr. Speaker: Inasmuch as the house has now come to the point where it has to accept or reject the motion, may I suggest that as soon as a decision is reached the house will go into committee of the whole at which time members may ask the minister piloting the bill all the questions they wish to ask. Is the house ready for the question? Is it the pleasure of the house to adopt the motion?

Some hon. Members: Yea.

Mr. Speaker: Do hon. members wish me to take the yeas and nays?

Mr. Thatcher: Yes.

Mr. Speaker: Those who are in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those who are opposed to the motion will please say nay. In my opinion the yeas have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

Mr. Fulton: Now who is wasting time?

The house divided on the motion (Mr. Howe, Port Arthur) which was agreed to on the following division:

YEAS

Messrs:

Applewhaite	Howe (Port Arthur)
Ashbourne	Huffman
Balcom	Johnson (Kindersley)
Barnett	Johnston (Bow River)
Batten	Jutras
Bennett	Kickham
Blackmore	Kirk (Shelburne-Yarmouth-Clare)
Blair	Lafontaine
Boisvert	Lavigne
Bonnier	Leboe
Brisson	Leduc (Jacques Cartier-Lasalle)
Brown (Essex West)	Lefrançois
Bruneau	Lesage
Bryce	Low
Buchanan	Lusby
Campbell	Macdonnell
Campney	MacLean
Cardiff	MacNaught
Caron	McBain
Carter	McCann
Churchill	McCullough (Moose Mountain)
Coldwell	McIvor
Dechene	McLeod
Decore	Mang
Demers	Matheson
Deschatelets	Montgomery
Dickey	Murphy (Lambton West)
Diefenbaker	Murphy (Westmorland)
Dumas	Nesbitt
Dupuis	Nicholson
Ellis	Patterson
Eyre	Pearkes
Fairclough (Mrs.)	Pearson
Fontaine	Philpott
Forgie	Pickersgill
Fulton	Power (St. John's West)
Garson	Prudham
Gauthier	Purdy
Gauthier (Lake St. John)	Quelch
Gauthier (Nickel Belt)	Ratelle
Gauthier (Portneuf)	Regier
Gillis	Reinke
Gingras	Roberge
Gingues	Robinson (Bruce)
Gour (Russell)	Robinson (Simcoe East)
Gourd (Chapleau)	St. Laurent (Quebec East)
Green	Shaw
Habel	Shipley (Mrs.)
Hahn	Sinclair
Hansell	Smith (Battle River-Camrose)
Hardie	Stanton
Harkness	Stick
Harris	Studer
Harrison	Thatcher
Hees	Thibault
Hellyer	Thomas
Henderson	Valois
Henry	Villeneuve
Herridge	Vincent
Hodgson	Weaver
Holowach	Weselak
Hosking	Winch
	Winters
	Wylie
	Zaplitny—126.

NAYS—Nil.

Bill read the second time and the house went into committee thereon, Mr. Robinson (Simcoe East) in the chair.

On clause 1—*Duration.*

Mr. Herridge: I want to take this opportunity to bring two questions to the attention of the minister upon which I have been asked to get information. As I have mentioned before, the dairymen, poultrymen and livestock feeders in my constituency find that the cost of feed is a very high proportion of their costs, in fact it is twice the normal Canadian average. The cost of feed to these producers in my constituency is about 40 per cent of their selling price, whereas the normal Canadian average is about 20 per cent, so I am sure the minister will appreciate what a serious thing this cost of feed is to my constituents.

This matter was discussed quite completely at the last annual convention of the B.C. federation of agriculture. Two things were discussed, the high cost of feed and the possibility of buying direct from the farmer through the wheat board in order to save the handling costs. Then, there was another question, and that was the refusal of the railways to load grain within the province for transportation to another point in the province, as a result of instructions from the wheat board. In that connection, I want to read very briefly from *Country Life*, which deals with a report of that convention:

> Questions Authority
>
> There is a feeling among some agricultural producers in this province that the Canadian wheat board is operating beyond its legal powers when it controls rail shipments of feed grains within the province, as in the case of the Creston movements.

I might say in that connection that producers in my constituency had repeatedly tried to purchase grain in that area but the railway company would not accept it for loading because of some rulings of the wheat board. I continue the quotation:

> This was expressed by central Vancouver island poultry producers' association when it received unanimous endorsation of a resolution calling for the B.C. attorney-general to study wheat board practices and to proceed to obtain judgment from the courts if he finds that the wheat board is acting without legal authority.

My two questions to the minister are as follows: Is it possible, owing to the circumstances of many producers in British Columbia with respect to the high cost of feed, for some arrangement to be made for purchases direct from the farmers through the wheat board, that is to save handling costs between

the farmer, the elevator and so on? Then again, what authority has the wheat board to prevent the railroads loading grain within a province for transportation to another point within the province?

Mr. Howe (Port Arthur): The answer to the first question is that it is not possible to buy direct from the farmer through the wheat board. It is possible to buy direct from the wheat board at any marketing point in the province, that means any country elevator, and the purchase price there is the export price at Vancouver less the freight costs charged for the movement from that point to Vancouver. This purchase is legal and afterwards the grain bought in that way will have a certificate that lets it be moved anywhere and by any vehicle.

The reason the railroads cannot accept a shipment of wheat is the provision in the act that we are now extending. That provision has recently been tested in the courts. The case was taken to the Supreme Court of Canada and the court upheld the regulation of the wheat board, so I think that has been settled by the highest court in the land that it is not legally possible.

Mr. Hahn: Further to what I said earlier in this debate and following what the hon. member who just took his seat had to say, I have a question I should like to pose to the minister. During the course of the debate I proposed he set up a fact-finding board to discover if there is any means whereby we can, without circumventing the wheat board, because we in British Columbia realize the value of boards, stop this discrimination between the various provinces, or within the province itself, as a result of the sale of wheat at fire-sale prices.

No one wishes to have grain or any other products sold on the basis of a fire-sale price. We are fully aware of the need for the wheat board, and for this reason we have such boards in my own province. However, I do question whether we will not find ourselves in an awkward position in the very near future if we should have all grain go through the wheat board, as it undoubtedly would, and a short crop year should come to this country. It would appear to be a blessing as far as the farmer is concerned. The wheat board would be able to get rid of the grain by reason of our having a short crop year, and this would give the farmer an opportunity to get ready cash. The farmers on the prairies could go into the poultry business; but we in British Columbia would be in the awkward position of not having these goods supplied to us.

[Mr. Herridge.]

I would like to know if the minister has examined the possibility of setting up a fact-finding board to determine what would be the long-range effects of this act. The act has been in operation long enough to enable us to assess its immediate effects, and we certainly can observe them; but has he given any thought at all to the long-range effects?

Mr. Howe (Port Arthur): When this act was passed, Mr. Chairman, parliament made it clear that the wheat board was to be the sole marketing agency for Canadian wheat. I should not like to take any step that would weaken the position of the board in that respect. They enforce the intent of the act as far as they can.

Mr. Hahn: One further matter, Mr. Chairman. I can fully appreciate the minister's point. It is not my intention to suggest that the wheat board's position should be weakened in any way. What I am proposing is that the act should be examined to see if it could be extended in order to make it stronger.

I believe the hon. member for Lethbridge, in speaking the other day, brought out a point that might be the answer to the whole problem. If there were cash advances for feed grain, seed grain or grain of any kind stored on the farms the problem would not arise, because the farmer would not have to sell his grain at fire-sale prices.

Mr. Nicholson: Mr. Chairman, I appreciate the sentiments expressed by the minister a little earlier. I am sure, however, that upon a little reflection he will agree that it was the hon. member for Moose Jaw-Lake Centre who was responsible for this bill not being given second reading a week ago today. Members of all parties had spoken and expressed their support of the wheat board, and though I attempted to persuade the chairman to rule that a discussion of Saskatchewan crown companies would be provocative and would not be in order, the hon. member proceeded with his remarks.

This afternoon when everyone was in favour of second reading the hon. member for Moose Jaw-Lake Centre assumed the responsibility of the leader of the government and of the Liberal party, and forced the taking of time by giving everyone an opportunity to stand up and be counted during the vote. I am indebted to the hon. member, but the minister must hold him responsible for slowing down our progress today and consuming this extra time.

I wish to make it clear that hon. members in this group think this legislation should be permanent. As I mentioned a week ago, the argument the minister used two years ago in relation to the defence production legislation,

which was to make it permanent with a view to making it feasible to get personnel on a permanent basis, is an argument which is applicable to this legislation. I therefore move, seconded by the hon. member for Kindersley (Mr. Johnson):

That clause 1 of Bill 9 be amended by inserting a period after the word "repealed" in line 4, and by deleting all the words thereafter.

While hon. members are having an opportunity to decide whether or not they will support this amendment I might continue with my remarks. The fact that this is one of the few times in Canadian history when 100 per cent of the members who were present stood up and were named as being in support of this legislation should give the minister a great deal of satisfaction, and perhaps should result in his accepting this amendment so that whoever is piloting such legislation five years from now will not have to waste time. I think it is obvious that once each year when the estimates of the department are before parliament hon. members will have an opportunity of reviewing the situation. The fact that this debate has continued at some length and that hon. members on the whole have been given such a courteous hearing indicates that this is a very important problem, as the minister himself has suggested.

When the hon. member for Vegreville was expressing the fact yesterday that the wheat board had a tough job, I interjected that their job was not as tough as that of the farmers. To my surprise the hon. member for Vegreville used improper language similar to that which has been used by hon. members like my friend from Moose Jaw-Lake Centre. The hon. member for Vegreville said I was "calamity howling" and "singing the blues". When the hon. gentleman was up in my constituency he did not use that sort of language. When he was there he was face to face with farmers who are hard against it. I understand that the hon. member for Vegreville is not coming back to this house, and I understand that the hon. member for Moose Jaw-Lake Centre is not planning on coming back. It is all right for them to get up and suggest that everything is rosy. The hon. member for Moose Jaw-Lake Centre will be able to retire on a pension of $3,000 for life without any means test, and I am sure he will be granted the earliest opportunity to do that.

Mr. Thatcher: I think my chances of re-election are as good as your own.

The Chairman: Order. May I suggest to the hon. member that we are approaching the situation which I was forced to draw to his attention yesterday afternoon. We are now in committee, and our discussion must be directly related to the item before us.

May I point out to the hon. member that we are discussing clause I of this bill, which amends section 23 of the Canadian Wheat Board Act. I have the act before me, and that refers only to part 2 of the act, the heading of which is "Control of elevators and railways". There are other subheadings such as "Application", "Permit books", "Administration" and so on, but I would think that under this clause our discussion in committee should be limited to part 2 of the act.

The hon. member has introduced an amendment which I shall read in a moment, but that amendment merely extends the termination of part 2 as set forth in the act. Therefore I must ask hon. members to confine their remarks to the item under discussion.

While I am on my feet, it has been moved by the hon. member for Mackenzie, seconded by the hon. member for Kindersley:

That clause 1 of Bill 9 be amended by inserting a period after the word "repealed" in line 4, and by deleting all the words thereafter.

Mr. Diefenbaker: Mr. Chairman, possibly it would be helpful if the minister would explain the basis upon which the administration decided to extend the period for five years. At one time, as I recall it, the extension was for three years and on the second occasion it was for four years. What is the reason for extending the period of five years at this time?

Mr. Howe (Port Arthur): Mr. Chairman, I do not know that there was any particular reason. The country seems to be getting used to the wheat board and it did not seem necessary to have this discussion come up as often as it did in the early stages. Our machinery of marketing is becoming adjusted to the wheat board system. There was no particular sanctity about the five years, and if anyone wanted to suggest some other period we would be glad to consider it. It seemed to the government that five years was a reasonable period.

Mr. Coldwell: Mr. Chairman, I support this amendment because I believe the Canadian Wheat Board Act should be a permanent act and not subject to repeal, revision or expiry at a given date. I have always supported the wheat board. I looked up the very first speech I made in this house on February 16, 1936, and before dealing with the matter then before the house, I had this say, as reported on page 175 of *Hansard* of that date:

Under the last administration—

That was the Bennett administration.

—a wheat board was established, and that board was satisfactory to the producers of western Canada; the resolutions of the organized producers show that, I think, completely. Since hon. gentlemen opposite have taken office very disquieting events have occurred.

I then went on to elaborate those events. I do not want to leave the matter for revision or expiry in the hands of governments which may prove again to be unfriendly to the wheat board method of marketing. I was here during the whole of that controversy and I remember most definitely that the original basis of the wheat board was undermined by the present administration. When they have the nerve to stand up in this house and accuse those of us who through the years have supported the wheat board method of marketing of trying to undermine and destroy the wheat board, I say that that is slander and when it is written, libel on a group of people who have been wholeheartedly in favour of it.

To suggest that there are today any members of this house who oppose the wheat board at this time is equally slanderous, as the vote this afternoon will show. I resent very much the implications by people in this house who try to say that we are opposed to this method of marketing. In fact we want to see it extended to rye and flax and to have a system of orderly marketing set up for all farm products as the producers desire it. It should not be something inflicted upon them, but as they wished it. There should be such a system of orderly marketing under properly constituted boards for all farm products.

My memory is quite good about the long debates which took place between 1935 and 1940 when the war broke out. Then we got the marketing of wheat completely under the control of the wheat board, something we did not have before. I would like to see this act on the statute books as a permanent piece of legislation so that there may be no ifs and buts about it in the days to come.

Mr. Johnson (Kindersley): Mr. Chairman, on this clause and on the amendment I think it is important that the government should make some statement of policy in regard to its position in connection with the transport controller. This particular clause relates to the loading of grain into railway cars. I think it is important, when considering how long the wheat board is going to be able to exist in the face of the government's refusal to assist in this regard, to give consideration to this matter.

I think we have had an adequate discussion of this principle in the past. As pointed out by members of the government, the office of transport controller is a necessary one. In its annual report the Canadian wheat board referred to the problems confronting it in allocating box cars to marketing points. This is one matter which we should have clarified before deciding what action we are going to take because it is apparent that if the government continues to refuse to assist the Canadian wheat board by appointing a transport controller it will be necessary to have continuing legislation, otherwise the confounding of the wheat board by the government will make it very difficult for members supporting that government to support that policy. I wish the Minister of Trade and Commerce would clarify this matter and make a statement as to his attitude toward assisting the Canadian wheat board by the appointment of a transport controller.

Mr. Howe (Port Arthur): The transport controller was never a member of the staff of the Department of Trade and Commerce nor was he an official of the wheat board; he operates in a separate orbit. I suppose at an appropriate time my hon. friend can ask the Minister of Transport to elucidate.

Mr. Diefenbaker: Mr. Chairman, in so far as this amendment is concerned I see no reason why it should not be supported. It has been an interesting revelation to hear the degree to which those supporting the government are now in favour of the wheat board, having regard particularly to the opposition in July 1935 to which I referred when it was originally introduced. In view of the fact that it has received the support of members of this house over and over again when extensions have been asked for in the tenure of the board, having regard to the support which farmers in general have given to orderly marketing, I see no reason why this amendment should not be supported. It will be interesting to find out the degree to which my hon. friends who support the Liberal party will indicate their support of and belief in the wheat board when the vote takes place on the amendment.

Mr. Hansell: Mr. Chairman, as the leader of this group said in the discussion on second reading, he was not opposed to the board being made permanent but he saw certain advantages in the bill under discussion in that when the expiry date was reached we would review the operations of the wheat board. Right here may I say that I do not think the Minister of Trade and Commerce need be too alarmed at the scope of the debate we had on second reading. It is true as he said that this is a simple bill which extends the life of the board for another five years, but we were debating the principle of the

bill. Therefore we had the right to say, "Do we want the wheat board to continue for five years, or do we not?" It did open up the whole matter of the wheat board, and rightly so, I think. I do not blame the minister for being concerned at the political trend of the debate, because he had some reason.

In respect to the amendment, I am willing to support it because I see no reason why the wheat board should not be made permanent. At the same time I do not think the amendment is as serious as some might indicate, because it is a matter of fact that in law nothing is permanent. As a matter of fact, though it may seem paradoxical to say it, the wheat board is permanent for the next five years. The leader of the C.C.F. party has said he wants it to be made permanent because he does not know what might happen should a government come into power which is not too favourable toward the board. Well, the result would simply be this. Even though the act were made permanent, any government which came into power which did not like it could repeal the measure. So it does not make any difference, and I cannot work up any enthusiasm one way or another as to whether it should be extended for five years or made permanent.

However, I have no objection to the amendment and I am quite willing, personally, to vote for permanency.

Mr. Thatcher: Mr. Chairman, I said earlier in this debate that I thought 99 per cent of the farmers in the west today support the wheat board, and I presume that is one of main reasons the minister has brought this measure forward on this occasion. But that does not mean that farmers five years from now will still feel the same way about it. Conditions can change, and I think it is sensible to have the matter reviewed in five years and hear what the attitude of the farmers is at that time.

The hon. member for Rosetown-Biggar said today that no one is opposed to the wheat board, as demonstrated by the vote in the house. That is true, but I still find it strange that a party which is so strongly in favour of the wheat board has been, for five days, criticizing just about everything the wheat board has done.

An hon. Member: That is not true.

Mr. Knowles: Mr. Chairman, I rise for only a minute because I believe it might be desirable to have on the record of *Hansard* just exactly what is involved in the amendment that has been moved by my colleague the hon. member for Mackenzie.

The Canadian Wheat Board Act as it now stands, section 23, reads as follows:

> The provisions of this part shall be deemed to be repealed on and after the 1st day of August, 1957.

The effect of clause 1 of the minister's bill would simply change "1957" to "1962". The effect of the amendment moved by my colleague the hon. member for Mackenzie is to make clause 1 of Bill No. 9 read as follows:

> Section 23 of the Canadian Wheat Board Act is repealed.

Obviously the effect of an amendment which would repeal section 23 of the Canadian Wheat Board Act would be to leave part II of the Canadian Wheat Board Act without any provision for its automatic repeal, as is now the case. This is the desire of those of us in this group who feel that this act should be put on a permanent basis. To achieve this effect would perhaps require certain other amendments which will follow in due course but, as I say, it might be desirable to have on record the exact effect of the amendment which has been moved, the purpose of which is to make this part of the Canadian Wheat Board Act permanent legislation.

Mr. Howe (Port Arthur): I would point out, Mr. Chairman, that the Canadian Wheat Board Act involves the compulsion of the ordinary citizen. A man can object to this method of wheat marketing as much as he likes, but if he does not follow the rules prescribed by this act a sheriff comes to his home and hauls him before the court. I have heard the Leader of the Opposition discussing compulsory measure of this kind, and I am a little surprised that he has changed his viewpoint, and now should want to place compulsion on the people of Canada as a permanent measure.

Mr. Knowles: What about the Income Tax Act?

Mr. Howe (Port Arthur): I recall discussions on the Defence Production Act—

Mr. Diefenbaker: Is this emergency legislation to which the minister is now referring?

Mr. Howe (Port Arthur): Certainly, in the sense that any legislation which places compulsion on a great number of people should be subject to periodical reconsideration. That is the purpose of the bill, and I believe it is sound; it is a principle which the Leader of the Opposition has expounded eloquently in this house. I notice that from time to time he changes his ideas about the sanctity of law, and his views on fundamental freedoms and human rights. I notice that his attitude changes, depending on the subject under discussion. However, I suggest that if he was correct in his earlier assertions involving

fundamental freedom and human rights he might very well consider whether or not the right of a producer to sell his product to whom he pleases cannot be considered a fundamental freedom.

Mr. Diefenbaker: This indeed is a great day. The Minister of Trade and Commerce has commenced to parade fundamental freedoms. It is a great day indeed, and one that is long to be remembered, because there is no one in this house who has done more to crush fundamental freedoms than has the right hon. gentleman.

An hon. Member: Nonsense.

Mr. Diefenbaker: Today, in shining armour of a new revelation, he stands here and says one of the reasons a period is fixed in this act is because of his belief in the freedom of the individual. It is only a matter of a few minutes ago that he was telling us why farmers are not allowed to deliver wheat themselves or to sell it in other provinces.

Mr. Howe (Port Arthur): That is part of the present Wheat Board Act. That is why the act should be reviewed from time to time.

Mr. Diefenbaker: "Sit down" is the usual attitude of the minister. As a matter of fact, his answer to me that this is emergency legislation indicates the reasons for the fixation of the period. That was the attitude in 1935. I have a copy of *Hansard* before me which shows that the Liberal party at that time did everything it could to destroy the efficacy and effectiveness of the wheat board. Mr. Bennett wanted it to be a compulsory board but Mr. Ralston, who spoke for the Liberal party at that time, condemned anything in the nature of a compulsory feature as being detrimental to the Canadian people, and said this was in effect emergency legislation.

I am not going into the later history because I want to remain within the terms enunciated by yourself, Mr. Chairman, with regard to discussion in committee of the whole. In order to find an excuse for voting against the amendment the minister finds it necessary to alter his stand and become an exponent of human freedom. That is, indeed, amazing. When we go back to last year's debate in connection with the trans-Canada pipe line and the degree to which parliament was made his pawn and his puppet, I thought, "Well, it is a great day when what we taught him on that occasion has resulted in his realization that the freedom of the individual is, indeed, of some consequence." If that debate did nothing else, it achieved a great deal in that respect.

[Mr. Howe (Port Arthur).]

Amendment (Mr. Nicholson) negatived: Yeas, 26; nays, 55.

The Chairman: I declare the amendment lost.

Clause agreed to.

On clause 2—

Mr. McCullough (Moose Mountain): Mr. Chairman, the purpose of our group is to endeavour to get the house to support amendments which will make this legislation permanent. I was very gratified to note that in the vote on the motion for second reading of the bill all members voted to extend the Canadian Wheat Board Act for another five years. With such unanimity I believe we can be justified in feeling that hon. members should give full support to making the legislation permanent.

The arguments of the Minister of Trade and Commerce do not seem to me to be very sound, when he says it is the wish of the government not to make the legislation permanent because it is pretty binding on individuals. I recall that a year ago when the defence production bill was before the house—

The Chairman: Order. I understood the hon. member was rising on clause 2 and that clause 1 had carried. The discussion he is carrying on now is with regard to a matter which has been negatived on a vote in the committee.

Mr. McCullough (Moose Mountain): Then I should like to move, seconded by the hon. member for Dauphin (Mr. Zaplitny):

That clause 2 of bill 9 be amended by deleting from line 8 thereof the words "paragraph (a) of", also by commencing the word "section" in line 8 with a capital "S", and also by deleting lines 10 and 11 and by substituting therefor the following words:

"24. Subject to section 31, in this part 'pool period' means each crop year subsequent to the 31st day of July, 1950."

The intent of the amendment is, of course, to conform with the idea of making the legislation permanent. It would then be left to the will of parliament if it should see fit at any time to discontinue the Canadian Wheat Board Act.

Mr. Hansell: Mr. Chairman, perhaps my brain is not working fast enough, but I am a little confused. As I read the amendment, in the light of the fact clause 1 of the bill remains as it appears in the bill I cannot see that the amendment has any effect whatsoever. The only effect, if any, is to indicate that a crop year ends on the 31st day of July, 1950. That goes without saying. Inasmuch as the first clause has been carried as it is printed in the bill, it simply means

that the other clauses follow automatically. I do not think the amendment means anything. Vote on it if you like.

Mr. Knowles: May I offer an explanation which I think will make the amendment clear to the hon. member and all other members of the committee. Reference has been made to clause 1 of the bill, which has been disposed of. That dealt with part II of the Canadian Wheat Board Act which is entitled "Control of elevators and railways." We are now dealing with a clause that relates to section 24 of the act, which is the first section in part III which is entitled "Interprovincial and export marketing of wheat by board."

In other words, what we are now aiming to do is to make permanent the part of the wheat board act that has to do with the marketing of wheat by the Canadian wheat board. I realize that my hon. friend has not a copy of the statute before him at the moment, but may I tell him that at the present time section 24 of the Canadian Wheat Board Act reads as follows:

> 24. Subject to section 31, in this part "pool period" means
> (a) each crop year subsequent to the 31st day of July, 1950, and prior to the first day of August, 1957; and
> (b) thereafter, such period or periods as parliament may fix for such purpose.

In other words, at the present time seection 24 of the act states that for the purposes of part III the only crop years to be considered are those that commenced since the 31st day of July, 1950, and will be concluded before the 1st day of August, 1957. Clause 2 of the bill presented by the minister would extend the crop years to be included for the purposes of part III to the 1st day of August, 1962.

The effect of the amendment moved by the hon. member for Moose Mountain is to remove any concluding date. It would leave section 24 of the act just as it appears in the amendment, namely:

> 24. Subject to section 31, in this part "pool period" means each crop year subsequent to the 31st day of July, 1950.

In other words, the same starting date for part III that has been there for a number of years would be continued but there would be no cut-off date, neither the 1957 date that is now in the act nor the 1962 date that the Minister of Trade and Commerce proposes. Rather than having such a cut-off date, part III of the act, having to do with interprovincial and export marketing of wheat by the board, would be put on a permanent basis. That is to say, this is parallel to the proposal made a moment ago. Perhaps it might be said that it deals with an even more important part of the act, namely that part having to do with the marketing of wheat by the board.

Mr. Harrison: In the area I have the honour to represent, socialist policy as indicated by the amendment now before us and with respect to many other things has been so detrimental and, having been argued in elections from time to time and at no time supported, I therefore rise to say that I will take great pleasure in voting against any such socialist motion. If I could vote twice I would do so.

Mr. Johnson (Kindersley): May I ask the hon. member a question. Does he consider the wheat board act to be socialistic legislation?

Mr. Harrison: Mr. Chairman, I see that maybe I should have spent a little more time on this debate. I do not consider the wheat board to be such. It has been discussed as a measure before the electorate from time to time and has been endorsed there. From time to time we have had socialist measures discussed in the area from which I come and they have been repudiated. If anyone wishes an indication of that fact, may I say that the main indication is the fact that I am here.

Mr. Ellis: What did the Liberals do in the north country in the last provincial election?

The Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Amendment negatived: Yeas, 24; nays, 55.

Clause agreed to.

On clause 3—*Duration.*

Mr. Campbell: Mr. Chairman, I wish to say a few words on clause 3. There are three places in this bill where reference is made to a cut-off date. As a last hope in trying to get this made into permanent legislation I move, seconded by the hon. member for Dauphin:

> That clause 3 of Bill 9 be amended by inserting a period after the word "repeal" in line 12, and by deleting all the words thereafter.

Mr. Howe (Port Arthur): Question.

The Chairman: Do I understand that the committee is ready for the question?

Some hon. Members: Question.

Mr. Knowles: Mr. Chairman, I notice that the Minister of Trade and Commerce is calling for the question. Perhaps he might be willing to wait for a moment until it is made clear on the record just what this

amendment would do. Section 34 of the Canadian Wheat Board Act as it now stands reads as follows:

34. The provisions of this part shall be deemed to be repealed on and after the 1st day of August, 1957.

The part referred to in that section is part IV, entitled "Regulation of interprovincial and export trade in wheat".

Clause 3 of the minister's bill would merely change the cut-off date to 1962. The amendment proposed by my colleague the hon. member for The Battlefords would make clause 3 of this bill read simply as follows: "Section 34 of the said act is repealed." Obviously the repeal of section 34 of the act which I read a moment ago would leave part IV of the Canadian Wheat Board Act without an automatic cut-off date. That is the purpose of this group in the amendments that have been moved this afternoon, namely to try to make this permanent legislation rather than emergency legislation, to use the term used by the Minister of Trade and Commerce this afternoon.

I confess that I was surprised when I heard the minister use that word. I thought he believed in this legislation. But apparently with him it is just emergency legislation, and it seems to me that makes it all the more important that parliament should put it on the statute books in permanent form.

The Minister of Trade and Commerce also had a little bit of fun, he thought, at the expense of the Leader of the Opposition by referring to fundamental freedoms and human rights. I suggest that one of the rights to which the farmers of western Canada are entitled is the right to be protected from exploitation by the grain exchange, and to have that protection made permanent.

The Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Amendment negatived: Yeas, 26; nays, 55.

The Chairman: Shall clause 3 carry?

Clause 3 agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall this bill be read the third time?

Some hon. Members: Now.

Mr. Knowles: By leave.

Mr. Deputy Speaker: By leave.

Mr. Howe (Port Arthur) moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

[Mr. Knowles.]

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES ACT

AMENDMENT TO PROVIDE FOR THE ESTABLISHMENT OF TWO NATIONAL MUSEUMS

Hon. Jean Lesage (Minister of Northern Affairs and National Resources) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Department of Northern Affairs and National Resources Act to provide for the establishment of two national museums in lieu of one, as at the present time to be known as the Canadian museum of natural history and the Canadian museum of human history.

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

Mr. Lesage: Mr. Chairman, I have just a few words to say in explanation of the resolution. In the course of its development to the position of national importance it now holds, the national museum of Canada has assumed a function for which its present organization is now no longer entirely appropriate. To rectify this it is proposed to establish two museums. As the minister, under the present act, does not have the power to establish museums, the proposed amendment would give him that power.

In the organization of the national museum there is a definite division between the different parts of the work relating to human history, including the fields of archaeology, anthropology and ethnology, and those parts relating to natural history including geology, botany and zoology. In 1951 the royal commission on the arts, letters and sciences studied the work of the national museum, and concluded that its organization did not make adequate provision for the best possible development of each of these two main divisions. The commission proposed that to provide for full development in the future of the museum functions in the fields of both human and natural history two museums, one to deal with human history and one with natural history, should be created from the existing museum. By such a reorganization and subsequent expansion of activities the two national museums would be able to make their full contribution to Canadian life.

Until recently it would not have been practicable, because of space limitation, to make the change. We can now see, however, that within three years new building programs in the Ottawa area will make possible the move from the present Victoria memorial museum building of both the national gallery and the geological survey, thereby increasing by three times the space now available. With this great improvement in the space situation

in sight and with the enormous amount of planning and exhibit preparation that must be done to make ready for this, the time has now become opportune to carry out the anticipated reorganization as recommended by the Massey commission.

Mr. Harkness: I was not quite clear as to what the minister meant, Mr. Chairman, when he started his remarks on this subject by saying that the present museum set-up is no longer appropriate. I hope we might get a little explanation of what he meant by those words.

Mr. Lesage: The organization set-up—

Mr. Harkness: He has stated as his only reason for introducing this bill to form two museums instead of one the fact that such a course was recommended by the Massey report. I do not think the fact that it was so recommended should be taken as a sufficiently good reason in itself for legislation of this sort. After all, a considerable number of things were recommended in that report which the government has not seen fit to implement. Recently another report, the Gordon report, has been received and if one can judge from the remarks made by some, particularly the Minister of Trade and Commerce, it would seem evident that the government is not going to implement the recommendations in that report. Therefore the fact that a certain recommendation is made in a certain report cannot be taken, in itself, as sufficient reason for passing legislation.

The minister concluded by saying that within three years' time space will be available in the present building as a result of the removal from that building of certain branches of other departments which have been occupying it for some time. I know that so far as the museum is concerned, space has been very much at a premium. This has been one of the great difficulties. I am glad to hear that more space will be available and that the present building, which was built as a museum, will be available for use as a museum. However, since both these projected museums are going to be in the same building, I find it somewhat difficult to understand why we need legislation to set up two separate museums. I should like to know whether the curator of the museum has found it impossible to carry on his duties, and whether there is any necessity for dividing the functions between two curators, thereby doubling the expense. I would doubt very much whether that is the case.

As to the necessity of forming two museums which would be under the same roof, apparently the great museums which exist in the various countries of the world have not found that necessary. The British museum is an example of the fact that it is not necessary to divide this into two or three museums. If these museums were to be in two separate buildings there would appear to me to be more justification for setting up two museums in place of one. Since all the museum facilities are apparently to be housed in the one building, and since nothing has been advanced by the minister so far to indicate that one curator and one museum would not be adequate, possibly divided into two or more branches—in fact I think perhaps the museum should be divided into three or four branches dealing with different types of material—I can see no real reason for the introduction of this legislation. After all, the two museums will continue to be really one museum in one building. It would seem to me a matter of duplication and an increase in what you might call administrative responsibilities. I would think the extra money involved would be much better devoted to securing more specimens for the museum.

Mr. Johnson (Kindersley): I welcome the announcement by the Minister of Northern Affairs and National Resources because, as an individual, I find nothing more enjoyable than being able to spend an afternoon in a museum. I have been disappointed on visits to the museum in Ottawa to find it very crowded, and to find much of the space in that building occupied by the geologicial branch of the Department of Mines and Technical Surveys. These departments take up space which could very well be filled with displays concerning some phases of our past history which visitors to the museum would find very interesting.

I think the decision to divide it into two branches is desirable, because it will give the branch of the museum dealing with human history an opportunity to explore more extensively the past history of Canada and to display its findings. There have been several field expeditions in various parts of Canada exploring civilizations that have existed on this continent in past centuries. I believe this legislation will make it possible for more extensive expeditions to go into the field. Unless we explore the various sites of which we have knowledge while we still know where they are located it will not be too many decades before the sites have disappeared and those portions of the record of history will be lost forever.

Another important point arising from the introduction of this resolution is that we will have an opportunity to take out of storage many of the findings of former field expeditions, since there will be room in the

museum to display them. I hope that as a result of this resolution we will have here in Ottawa as a national museum an institution which will favourably compare with the Royal Ontario museum in Toronto.

We have an excellent museum located in Regina, and have received favourable comments about it from people who have had an opportunity of visiting there. I welcome this endeavour by the minister to establish a museum of natural history and a museum of human history, so that as Canadians we may be proud of our display of history and as individuals we may have a knowledge of and an interest in what has occurred in the past.

Mr. Johnston (Bow River): Mr. Chairman, I do not think it is necessary for me to dwell on this subject at great length, but I should like to point out to the minister that I feel here is a great deal of merit in the resolution he is proposing today. As has already been indicated by previous speakers, it will be a good thing to establish a national museum on an extended basis.

I am wondering, though not in a critical way, what will be the added cost involved. I understand that both the museum of Canadian natural history and the museum of human history will be housed in the one building. The building will require a certain amount of renovation, and though I would not imagine that the cost will be great I think we should have some indication as to what it might be. Of course there will also be the additional cost of providing the separate staffs that will be neceessary, and we should have some indication of that cost.

It seems to me there is a great deal of work to be done in preserving both our natural history and our human history, and I would think some attention should be paid to giving assistance to museums in other parts of the country that maintain the record of our history. My mind goes at once to my own constituency. A museum has been established in the city of Drumheller under vast difficulties. I do not suppose there is an area in Canada which holds greater prospects for field expeditions exploring the record of the past than the so-called badlands of Drumheller, where the remains of nearly all the prehistoric animals have been found. Wonderful work has been done by the small museum in Drumheller, which has unearthed discoveries that are thousands and thousands of years old.

Many donations have been made to that museum. Although I have referred to it as a small museum I should qualify that by saying it is not small in relation to the size of Drumheller, but only when we think of museums in the national sense. I think it would be wrong to concentrate all our efforts on the construction of a national museum at the expense of ignoring the efforts being made by museums in other places to preserve our history.

There is an excellent museum located in the town of Banff, which I am sure the minister has visited. I understand the work of this museum is carried on entirely through donations received from private individuals. I have gone through that museum on a number of occasions, and they have many wonderful displays of animal and natural life. Practically all the wild animals are on exhibit there. I am sure no one who visits the national park, and there are many thousands each year who do, fails to visit the museum. I venture to suggest that just as many people visit the Banff museum as visit the museum in Ottawa, if not more. Many thousands of people go through the museum during the tourist season, and you can hardly enter the building because of the crowds.

Although I am by no means belittling the proposal contained in this resolution, I think some attention should be given to assisting museums in other areas where the local people have taken a keen interest in preserving historical treasures. If the minister would give consideration to the museums at Banff and Drumheller I am sure it would enable them to make a further contribution to the preservation of historical records, and thus assist the national museum.

I want to assure him that I think he is following a wise course in introducing this resolution, and I trust he will see his way clear to extending his thinking to museums and activities beyond the scope of those mentioned in this legislation.

Mr. Lusby: Mr. Chairman, I would like to speak briefly in approval of the principle of this resolution. It seems to me the principle is entirely in keeping with the growth and development of Canada during recent years.

I do not suppose there is anyone in this chamber who has not taken advantage of the opportunity to make a tour of the national museum during his years in Ottawa and certainly none of us would fail to agree that it was a most instructive and interesting experience. But I remember that on the first occasion—not the last occasion but the first—when I made a tour of the museum, I came to the end of the tour feeling, "Is this all?" It seemed to me that for a country of the present status of Canada there should have been something more; it should have been a more extensive establishment. For that reason I think the proposal to divide the

museum into two separate branches will enable a great deal of development to take place in each branch.

The Deputy Chairman: Order. It being five o'clock the house will proceed to the consideration of private and public bills.

Progress reported.

PRIVATE BILLS

CANADIAN PACIFIC RAILWAY COMPANY

Mr. G. J. McIlraith (Ottawa West) moved the second reading of Bill No. 16, respecting Canadian Pacific Railway Company and certain wholly owned subsidiaries.

He said: Mr. Speaker, this bill if enacted, together with the supplementary provincial legislation, will simplify the corporate structure and organization of the Canadian Pacific Railway Company. It is similar to the act of last year which is chapter 55 of the 1956 statutes. It provides for the vesting of the assets of 12 wholly-owned subsidiaries of the Canadian Pacific Railway Company in the Canadian Pacific Railway Company, and the assumption of the obligations and liabilities of those subsidiary companies by the Canadian Pacific Railway Company.

Of the twelve subsidiary companies, seven are incorporated under acts of this parliament and five are incorporated under provincial legislation. The bill provides also for the dissolution of the seven companies incorporated by federal acts. The other five companies will require provincial legislation for their dissolution, and provincial legislation will also be required to vest certain assets in the Canadian Pacific Railway Company. In all such cases the legislation is in process of being dealt with or being put before the appropriate provincial legislatures.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, last year we dealt with a similar bill covering I believe twelve subsidiary companies of the Canadian Pacific Railway Company. That bill was sent to the standing committee on railways, canals and telegraph lines, and I presume the same course will be followed this year and that officials of the Canadian Pacific will be in attendance to explain various details in connection with these lines.

Mr. McIlraith: That is correct.

Mr. Green: May I point out to the sponsor of the bill that one of these companies, the Kaslo and Nakusp Railway Company, operated a line running from Kaslo to the vicinity of New Denver in British Columbia. Just two or three weeks ago the Canadian Pacific Railway Company was given permission by the board of transport commissioners to abandon the line, subject to the condition that a portion of the roadbed would be transferred to the province for use as a highway. I would hope when the bill comes before the committee, officials will be present to indicate what the Canadian Pacific proposes to do in connection with the ruling by the board of transport commissioners. There may be questions having to do with the other railways, and I take it that officials will be present to give all the facts in connection with those lines.

Mr. Colin Cameron (Nanaimo): Mr. Speaker, I was quite interested when I read this bill to find one significant omission from the list of wholly-owned subsidiaries of the Canadian Pacific Railway Company. I refer to the Esquimalt and Nanaimo Railway Company, which operates on Vancouver island. I think this omission is significant, in that there might have been some unfortunate results from the Canadian Pacific's point of view if they had included that railway company in this measure. I submit that if parliament is going to aid the Canadian Pacific Railway Company in a reorganization of its property it should give consideration to the position in which the people of British Columbia have been left on account of this particular subsidiary of the Canadian Pacific Railway Company.

This line was not built by the Canadian Pacific, it was built as a result of one of the most scandalous land steals in the history of Canada. It was bought later, in 1912, by the Canadian Pacific Railway Company. As there was some doubt at that time whether or not the tax exemption privileges which accrued to the original grantees would accrue to the Canadian Pacific Railway Company, the legislature of British Columbia of that day passed a special enabling act granting those tax exemptions.

I would think if the Canadian Pacific Railway Company wishes parliamentary aid in straightening out its affairs in British Columbia and other parts of Canada it should be prepared to submit to the penalty of having the whole system brought under one unified organization, and thereby perhaps rectify some of the damage done to the people of British Columbia by its predecessors, the Esquimalt and Nanaimo land syndicate.

The losses to the people of British Columbia are estimated to be in the millions of dollars. A former chief forester of British Columbia told me that at the time he was speaking to me we had lost up to $50 million in royalties because of this particular provision in the grant to the Esquimalt and Nanaimo land syndicate and because of the provision in the tax exemption act of 1912.

I hope when the officials of the Canadian Pacific Railway appear before the committee they will be prepared to answer questions as to why they have not included the notorious Esquimalt and Nanaimo Railway Company in the bill which is before us at the present time.

Mr. McIlraith: Mr. Speaker, perhaps I should answer one or two of the points that have been raised. First I want to make it clear that the question of a railway ceasing operations is dealt with by the board of transport commissioners, and that would not be affected in any way by the legislation now before the house. The jurisdiction of that board will be just the same after the vesting of the railway undertakings in the parent company has taken place.

As to having officials of the railway appear before the committee, perhaps I should have explained that that was done last year and it certainly is the intention to have it done again this year. The officials will be available to answer questions as to any of these companies.

As to the last point raised by the hon. member for Nanaimo, I think the hon. member misapprehends this legislation. There were some 36 or 37 small railway companies which were wholly-owned or almost wholly-owned subsidiaries of the Canadian Pacific Railway Company. They were operated by the Canadian Pacific under long-term leases. This necessitated additional bookkeeping, the holding of annual meetings and so on. Legislation was brought before the house last year dealing with 13 of these companies and vesting their undertakings in the parent company. This year another 12 are being dealt with in the same way by the bill now before the house. There will still be 12 or 13 to be dealt with in future legislation.

The reason these different subsidiaries are still being left outstanding can be given when the officials are before the committee. It may be because there are shares of stock outstanding, it may be because there is a particular clause in an agreement, or some complication of that sort. It is anticipated that within another year they will all have been dealt with in the way the group referred to in this bill are being dealt with.

I do not think there is anything more I can usefully add at this stage.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

TRANS MOUNTAIN OIL PIPE LINE COMPANY

The house resumed, from Tuesday, February 5, consideration of the motion of Mr. Fairey for the second reading of Bill No. 15, respecting Trans Mountain Oil Pipe Line Company, and the amendment thereto of Mr. Regier.

Mr. Speaker: Has the hon. gentleman had a chance to look at the remarks I made the other day with respect to the amendment?

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I was under the impression that when a change is contemplated in the capital structure of a company the whole operations of the company are open for discussion and debate, and that even its continued existence as a company chartered by this parliament was open for debate. However, as a new member in this house I am perfectly happy to abide by whatever ruling you may desire to make.

Mr. Speaker: Having given fully the reasons the other day, namely on February 5, why I considered the amendment to be out of order, I may say that I am still of that view and therefore declare it out of order today.

Mr. Colin Cameron (Nanaimo): Mr. Speaker, I have been quite interested in this bill because it seems to me to be almost a classic example of the sort of thing against which I and my colleagues in this house have been protesting against for years. I was interested the other day to hear the hon. member for Moose Jaw-Lake Centre remark that the socialists usually did not have much connection with business, and I would be the first to agree with him. Socialists, like other intelligent people, do have some doubts as to the wisdom of devoting the short period during which we are on this earth to the business of buying things cheaply and selling them dearly, whether it be selling hardware in Moose Jaw or embarking on wider areas of rapacity and dealing in oil and natural resources of various kinds.

We are asked to believe, Mr. Speaker, that the promoters and owners of the present company wish to take this action in order to distribute the shares of their holdings among the general public. Now I suggest, Mr. Speaker, that when they ask us to believe that they insult our intelligence. In the first place, if this were so they would be almost the first promoters in history to decide that they wished to invite the public in, unless their enterprise was in a shaky condition or they hoped for some stock market scheme whereby they would gain big profits.

But in this instance the case is clear cut; this is just nonsense, and dishonest nonsense, that is being told to us in this regard; because if the people who had formed this company had wished to have the public participate, then it seems very odd that of the 5 million shares of no par value which were authorized

in 1951 only some 1 million-odd have been issued, and of that 1 million only 450,000 were made available to the general public.

We are told that another reason why they want to split the stock is that the price has gone so high that the general public is unable, or unwilling, to engage in trading in that stock. Again I would point out, Mr. Speaker, that the price had gone so high only in the last year since it became obviously an extremely profitable undertaking. There were two years in which it was not nearly so high, but these gentlemen made no effort at that time to attempt to sell some of the shares, amounting to nearly 3½ million, which they had in their company treasury. They waited until the exorbitant profits which were shown last year caused the price of their stock to rise to its present dizzy and encouraging height.

Then it was decided that they wanted to split the stock five to one in order to permit the general public to participate in their operations. But we have had no indication whatever from the sponsor of this bill that the company does actually intend to sell to the public any of those 3½ million shares—they would become 16 million shares—which are in their treasury. We have no undertaking to that effect.

We have, indeed, the possibility that what will happen is that those who own the present shares will decide to cash in on their profits after the shares have been split and traded on the stock market until their price has reached an encouraging level. These gentlemen may then unload some of their holdings; they may, indeed, initiate a regular campaign of unloading with the idea of resuming possession of the stock later on.

I cannot imagine for the life of me, Mr. Speaker, how anyone could consider that there is a respectable reason for this proposition which is, of course, just the well-known old racket of melon-cutting. And this parliament is being asked to enable that to be done.

There are those, of course, who imagine that the capital gains that would accrue to these gentlemen would come out of thin air. My friends to the left will probably think that. But I would like to assure them and other hon. members of this house that this is not the case, and that the capital gains which will be made by these people will come out of the pockets of their fellow Canadian citizens. Let no one try to tell you anything different. If this parliament permits this bill to go through, then they are permitting these gentlemen to draw their capital gains from the pockets of the Canadian public; and I would suggest to all those hon. members of this house who have been making heart-warming speeches about the necessity for providing more for our old age pensioners, increased family allowances and larger sums in the way of general social security benefits, that they bear in mind that the economy of Canada can carry just so much of a load. It can carry a certain load of old age pensions, of family allowances, of income for the ordinary citizens. It can carry just so much in the way of profits for stock market racketeers; and with every dollar of capital gain that we permit by this scandalous and iniquitous proposal we will lessen the area from which help for the less fortunate members of our society may come.

If parliament decides to pass this measure I trust we shall hear no more demands for increased old age pensions; that from now until the election all those hon. gentlemen who have joined the chorus in favour of increased old age pensions will have the grace to keep their mouths shut.

Mr. Johnston (Bow River): How about individual oil rights? Would you agree that they should be socialized too?

An hon. Member: Yes.

Mr. Cameron (Nanaimo): I would point out to the hon. member for Bow River that we are not talking about individual oil rights at the moment. We are talking about a barefaced attempt by one of the oil companies who help to keep his party in office in Alberta to mulct the general public a little more than they have been able to do in the past.

Mr. Speaker: Order. May I ask hon. members in discussing this bill not to venture into provincial politics. It may be that the experience we have had in the recent debate should be beneficial to us all.

Mr. Cameron (Nanaimo): I think, Mr. Speaker, this parliament should be very cautious about what it is asked to do in these circumstances, and should realize that this is not a bona fide attempt to broaden the basis of ownership in this company but a barefaced attempt to use parliament for the purpose of providing capital gains for a few rapacious individuals.

Mr. Winch: And it is to be made on the stock market.

Mr. Cameron (Nanaimo): As the hon. member for Vancouver East (Mr. Winch) points out, to be made on the stock market. The money is not coming out of thin air. It is coming out of the pockets of the Canadian people. I think these gentlemen should be made to answer some very critical questions. The first one is, why have they not seen

fit hitherto to release on the public market the shares that were authorized by parliament six years ago? The next question is, is the company prepared to place on the open market the shares it still holds in its treasury and, if so, to what extent and at what price?

These are questions these gentlemen should be made to answer. The history of oil and pipe-line companies in this country does not lead us to suppose that they are in the main philanthropists. They have in the main done very well out of the people of Canada and their natural resources. I see no reason why parliament should aid them to do well out of the people of Canada by means of a stock market racket of this barefaced nature. Since the amendment moved by my colleague the hon. member for Burnaby-Coquitlam was ruled out of order, I wish to move, seconded by the hon. member for Burnaby-Coquitlam:

That Bill No. 15 be not now read a second time, but that the subject matter thereof be referred to the standing committee on railways, canals and telegraph lines.

Mr. Speaker: The hon. member for Nanaimo will not object, I am sure, to associating with himself in moving the amendment the name of another member as seconder.

Mr. Cameron (Nanaimo): I thought I had done so. Possibly you did not get the copy on which I placed it.

Mr. Speaker: I understood the hon. member to say that the seconder of the amendment was the hon. member for Burnaby-Coquitlam, but he has already spoken on the main motion.

Mr. Cameron (Nanaimo): The hon. member for Vancouver East (Mr. Winch) will second it.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, in my opinion the amendment proposed by the hon. member for Nanaimo certainly should go a long way to meeting the suggestions made when the bill was being debated earlier that an opportunity should be given to members to have placed before them all information that could be made available. In a matter of this kind I think the approach suggested in the amendment is a much more appropriate way to deal with the question than for us to be compelled to accept the principle of the bill and then go into committee to get the information that may be required.

The information placed on the record by the hon. member for Burnaby-Coquitlam at an earlier stage of the debate was brought into serious and, I thought, unnecessary question by one or two who took part in the debate. Suggestions were made that he had pulled some figures out of a hat and had used them loosely. I suggest that was a rather unwarranted approach to take to the matter, because we all know that reliable figures with respect to earnings and other matters concerning companies do appear from time to time and are available for the use of those who have occasion to discuss matters relating to the operations of firms or the nature of transactions that are being proposed. I think perhaps it was a little unfair to suggest that the member for Burnaby-Coquitlam had not taken the pains to go to sources that he considered reliable in order to obtain the information he used.

I have no real quarrel with the fact that other hon. members may place a different interpretation upon the facts or may have a different view of their implications than the hon. member for Burnaby-Coquitlam; nevertheless I feel that it was not a proper approach to take in a serious discussion of this measure.

This company have come before parliament seeking approval for a certain action which they contemplate taking, and I certainly think we have a right and a responsibility to inquire seriously into all the implications of their request. I am aware of the fact that long before I came into the house a great many debates took place on a number of pipe-line questions and that, of course, the original incorporation of Trans Mountain Oil Pipe Line Company was a matter of discussion in the house. If the company is going to request the kind of change in their operations suggested in the bill now before us, I believe the house should have the right and the opportunity to go into the history of the operations of the company before we decide whether or not we approve the principle of what they are doing.

There are probably members in the house who are prepared to accept without question as a general principle the right of a company to split its shares as it pleases. I do not happen to subscribe to that view. I think the whole approach to the making of unearned wealth, which in my opinion has been followed all too commonly by many companies and corporations in this country, is basically wrong. As far as I am concerned the onus should be upon the company to prove beyond any shadow of a doubt that the proposal they have in mind is necessary and justified.

I think a good deal of confusion exists in the minds of a lot of people as to the basis on which proper earnings should be made by a corporation. As the hon. member for Burnaby-Coquitlam said, we in this group take the view that under certain circumstances companies which are operating

efficiently and without damage to the public interest have the right to a reasonable return on their investment.

We also take the view that in certain fields of operations where high risks are involved, those risks rightly should give entitlement to more generous treatment than would be legitimate in other fields. I feel that this applies particularly to the field of the basic development of mines and of oil producing wells. No one will quarrel with the fact that in their initial stages at least such ventures are more risky than are many other types of operations. But I suggest, Mr. Speaker, that a debate on the pros and cons of what is a proper return on invested capital or a proper return for risks which are taken is an altogether different matter from this business of making speculative profits through the manipulation of stocks on the market.

I may perhaps be subject to prejudice in this matter, but certainly my opinions in this regard are not of recent origin. In the days of 1928 and 1929, when in my view the world had gone a bit crazy or at least the people on this continent had done so in respect of gambling in stocks, I can recall the views I came to then, and they are substantially the views I continue to hold. I mention that fact because I want to make it clear that I am not approaching this subject from any narrow, partisan political view, but rather from the point of view that the principles involved here, as far as I am concerned, cut rather deeply into the moral fabric of society.

For that reason, as I say, as far as I am personally concerned, in an instance of this kind the onus should be put upon the company to prove beyond any peradventure of doubt that this stock split is necessary to the continued financial health of their operation before I would be prepared to go along with the principle of this bill. That is one of the reasons I feel that the amendment we now have before us is proper.

I hope that serious consideration will be given by other hon. members to the desirability of following this course in the case we now have before us. I was interested enough to look at the debates that took place when the bill to incorporate this company was first introduced into the house, and to note some of the assurances that were given to the house at that time by the then hon. member for Vancouver South, Mr. Arthur Laing. One of the assurances he gave was that this was going to be a company which would bring oil to the coast of British Columbia and, as I understood him to present the matter to the house at that time, that it would be used only for the development of the oil extraction industry in British Columbia.

I think most of us in British Columbia recognize the fact that British Columbia at the present time at least may not be able to absorb the full capacity of that line. Nevertheless we had a right to expect that the line would be used for the development of the oil processing industry in British Columbia, and that the products surplus to our needs would go into adjacent markets after having been processed in British Columbia. I think one must have that consideration in mind when one considers the request that is now before the house with respect to this stock split.

I believe one must analyse the record of the company to date. One must realize that while the Trans Mountain Oil Pipe Line Company as such is engaged in the transportation of oil, nevertheless it is in fact a tool—and I am not using that word in any derogatory sense—of certain producing and manufacturing oil companies of this country and of the United States, and that therefore its actions cannot be considered only in the light of the operations of an independent company. Because of that fact we must realize that the policies which they have followed, and which have been dictated to them as a corporate entity by those who control them, must affect our attitude to the application they now have before parliament.

I know this is perhaps a matter of more interest to those of us who live in British Columbia than it is to those who may live in other parts of the country. Nevertheless I think the principle involved should concern members from all parts of the country. I hope recognition will be given to the fact that the economic situation in British Columbia is as important to those of us who live there as is the economic situation in the region of Canada around which discussion revolved in a recent debate in this house.

I hope other hon. members will take advantage of the opportunity to express their views on the principle of the bill, and in particular upon the amendment which has just been moved and which, as I have suggested, should go a long way toward meeting some of the objections which were raised when the bill was first up for debate in the house.

Mr. Elmore Philpott (Vancouver South): Mr. Speaker, I wish to say a few words on behalf of my colleague the hon. member for Victoria, B.C., who is unable to be here today and who is the sponsor of this bill. I am not going to get into any prolonged discussion of the rather remarkable amendment moved by

my good friend the hon. member for Nanaimo, because it seemed to me that by the nature of the amendment he moved he gave away his own case. I am certainly not going to get into any involved argument as to whether or not you can submit the subject matter of a very complicated thing like this to a committee without submitting the reason for the discussion in the first place. I shall just content myself by saying that even if we were to vote for the amendment, the only result of that vote would be to accomplish by a very inefficient, confused and involved way what we are asked to do in the bill itself.

Without making any comment whatever on the merits of this bill, I should say it is a very simple submission to this house. We are simply asked to give to this company, a very prosperous British Columbia company of which a great many of us, contrary to some of my friends opposite, are quite proud, the opportunity to do business in the same way a great many other companies do. We are quite proud of the fact that this company, after overcoming the original difficulties it faced, has managed to do so well in the matter of a very few years. I for one believe it is most vexatious and irresponsible for anyone in this house to stand up and say that any company should not have the right to do what all its competitors in the same field are doing.

But ignoring all that, surely there is a very special way for us to deal with all these very real, complicated questions. Surely the way is for us to not continue wasting time, the very limited time we have in these private members' hours. We must be able to find out all the complicated facts about the financing of this company we are discussing. We have to get this before a committee, and the whole purpose of this bill is to get the matter before the appropriate committee of this house.

Therefore, just referring back to the original debates of this house, I recall that my very distinguished predecessor, the hon. member for Vancouver South at that time, had the great honour of being the sponsor of the original bill. I see that at that time there were some submissions made by the hon. member for Kootenay West and the hon. member for Vancouver-Quadra which concerned the route of the pipe line.

In conclusion, Mr. Speaker, I think I should say one word about my good friend the hon. member for Nanaimo. I think the one thing that distinguishes my own thinking from his thinking is that he seems to resent the fact we have private corporations in this country that are making a good profit. It is on that point I cannot go along with him. I would be extremely pleased to have a profitable company in my riding. I was astonished the other day when I heard the hon. member for Burnaby-Coquitlam almost bemoaning the fact that this company, which is located in his riding, has been showing a good profit for the last couple of years. I will tell him that if he does not want corporations in his constituency making a good profit, I shall be glad to have them move into Vancouver South.

Speaking very seriously, how in the name of common sense are we going to continue to raise the money we require in this country to finance family allowances and old age pensions, especially with the more generous old age pension that some of us believe is necessary, unless we have prosperous companies operating in this country? I for one am extremely glad we have a prosperous oil company operating in British Columbia. I know of no reason why this company should not be treated in the same manner as all the other private businesses operating in western Canada. I think this house should approve the bill and send it to the appropriate committee, where my hon. friends opposite will have unlimited time to cross-examine the officials of the company. Then they can deal with facts, and not have to continue dealing with fiction.

Mr. Winch: You will have to support the amendment, then.

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, I am very pleased to follow the hon. member for Vancouver South, but I always find it rather difficult to ascertain just what he does mean. He spoke of the complicated simplicity of this bill, and I wondered as I listened to him whether he was complicated or I was simple. However, I should like to assure the mover of the amendment that it is my intention, and I believe the intention of this group, to support the amendment he has proposed, if for no other reason than to be opposite to the hon. member for Vancouver South and ensure that the bill will be sent to the appropriate committee.

I would refer to what the hon. member for Bow River had to say the other day in respect to the bill. He said he hoped the bill would be sent to a committee where it could be given more complete study, and that is the reason we are supporting the amendment at this time.

Then the mover of the bill, and I regret that he is not in his seat today, said at page 988 of *Hansard* for February 5, 1957:

> . . . I am sure that this bill will be examined by the appropriate committee.

He does not indicate that the bill is going to be sent to a committee, but he says he is

sure it will be examined by a committee. I hope before this debate is concluded he will indicate that such is the case, thereby satisfying each of us that a bill of this type will be sent to the appropriate committee.

My reason for suggesting that it should be sent to a committee is that here we have a form of utility, and whether or not it is privately owned or not it should come under government scrutiny from time to time. Certainly much of the argument we have heard about old age pensions and other factors do enter into it, but we are agreed that possibly such subjects are extraneous to the subject matter of the bill itself and should be considered at another time. It is not my intention, therefore, to continue the debate along that line.

But I would suggest that here, when we have all the members of the house fully realizing the fact we have so many charges against the company itself in respect of the monopolistic way in which oil is being handled; with the recent price increases, and the fact that the Minister of Justice has been asked to ascertain if there is a combine in the oil industry because of the rise in price, then all these charges should be examined. Possibly when the bill comes before the committee the terms of reference will be such that they will make it possible to examine the need for dividing these shares as indicated in the bill.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, like the hon. member for New Westminster I was a bit puzzled by the remarks of our good friend from Vancouver South. Of course he is the member who can vote one way one year and another way another year. One minute he says this is a very simple bill, let us pass it; the next minute he says it is a very complicated bill. Well, perhaps he should make up his mind.

Mr. Philpott: I was talking about the amendment moved by your party when I spoke of it being complicated.

Mr. Knowles: The amendment is complicated but the bill is simple in the judgment of the hon. member. Perhaps if he has another interruption to make he will make it even more confused.

Mr. Speaker, there is one point which I think should be kept clear, and I realize it is a point upon which the house frequently gets confused. There is no question but that a private bill such as the bill that has been introduced by the hon. member for Victoria, B.C., if it is given second reading, has to go to the committee. We know that; all hon. members of the house know that. But, Mr. Speaker—and I recall your interest in this point in the days before you were exalted to your present position—there is a difference in our view between sending to a committee a bill which has been given second reading, and sending to a committee the subject matter of a bill.

If we had before us merely the motion for second reading and that motion were to pass, of course the bill would go to the committee; but it would go as having had the endorsement of its principle by this house. We do not think this bill should have its principle endorsed before it goes to the committee. That is the reason for the amendment that has been moved by my colleague the hon. member for Nanaimo. We are quite prepared to have the subject matter of this bill discussed by the committee on railways, canals and telegraph lines. We are also quite prepared to have the promoters of this bill go before that committee and state their reasons why parliament should consider this bill. But from our study of its provisions we feel that that questioning and discussion should take place in the committee on railways, canals and telegraph lines before the House of Commons has been asked to endorse the principle of this bill. That is the reason for our amendment.

I say again, either way the matter will be referred to the committee. If the bill passes second reading the bill itself goes to the committee. If the present amendment passes, instead of the bill going to the committee the subject matter will go before it, and discussion will take place on the subject matter without the House of Commons having endorsed the principle of the bill.

I want to join with my colleagues the hon. member for Burnaby-Coquitlam, the hon. member for Nanaimo and the hon. member for Comox-Alberni, who have already spoken, in saying that we feel this bill should not be supported. The hon. member for Vancouver South expressed some amazement that we are not delighted when we hear of a private corporation like this making huge profits. Mr. Speaker, when we in this group stand up in this house and ask for certain things that are rather costly, let us say in the social security field, it is sometimes said to us by representatives of the government that for us to ask for these things is to ask for the taxpayers of Canada to pay for them. When the government does not want to agree to a request of ours it takes the position that it has to be responsible and has to consider whether or not all the taxpayers of Canada should be asked to provide money to pay for a particular piece of social legislation.

Mr. Harris: We only believe in telling the truth, you know.

Mr. Knowles: Mr. Speaker, I welcome that interjection because that is precisely what we are doing, telling the truth—a truth which my hon. friend refuses to face—that if this bill goes through a financial return will accrue to certain individuals from this stock splitting which has to come out of the total wealth of this country just as surely as tax money comes out of the total wealth of this country. In the one case parliament in the name of the people controls it, decides the rate of taxation and decides where it will go. In this case a few private individuals get a share of the wealth of the country which has to be created by the people of Canada whether or not those few people need it, and whether or not it is in line with good social policies. No money finds its way into the pocket of any person in this country without wealth to back up that money having been created by the toil and labour of the people of this country; and I say to you that I am telling the truth, as the Minister of Finance suggested a moment ago, when I say that if parliament passes legislation like this it is permitting a few people to get hold of a certain portion of the wealth created by Canadians without regard to the social policy involved in action of this kind.

Mr. McCann: This is a transportation company.

Mr. Knowles: The Minister of National Revenue says this is a transportation company. He means it is a company engaged in the transport of oil from one part of the country to another.

Mr. McCann: Why then are you talking about resources?

Mr. Knowles: My hon. friend the Minister of National Revenue does not seem to realize that there is no wealth in Canada that is not created by the application of the labour power of our people to our natural resources. That is how the oil is brought to the surface in the first place. That is how the pipe line is built. That is how the pipe line is operated. And the wealth that is created in the operation of this pipe line and in the transporting of oil through the pipe line is created essentially in the same way wealth is created when workers are employed in a factory, when farmers toil on their farms, when fishermen work at sea or in any other way.

Our point, Mr. Speaker, is that basically all the wealth that is created in this country is created in the same way, by the application of the labour power of our people to our natural resources. A certain portion of that wealth created by our people is obtained from them in the form of taxes. That portion that is obtained from them in the form of taxes is by the decision of the people's representatives here in parliament.

It is decided by parliament how that portion of the wealth that is obtained from the people is to be applied. But the taxes that are taken from the people of Canada are by no means the only money that is taken away from those who produce wealth. Every time a company makes a profit, whether it is a company that transports oil, a meat packing outfit, a railway or a firm that manufactures farm machinery—

Mr. Murphy (Lambton West): Would the hon. member permit a question?

Mr. Knowles: Surely.

Mr. Murphy (Lambton West): I wonder if the hon. member would tell the house how five or six shareholders would benefit because the stock was split?

Mr. Winch: Because they get four shares for one.

Mr. Knowles: As has already been described by my colleagues who have spoken to this bill, if these shares are split on a five-way basis the immediate result will be that the price of the new shares will be approximately 20 per cent of the price of the present shares, which will produce trading on the stock market; and in view of what has been said about this company it is inevitable that such trading will result in the price of the new shares going up and wealth will be made. My hon. friend thinks it just comes out of thin air, that it just happens—

Mr. Hosking: If it is easy money why don't you buy some shares?

Mr. Knowles: No one has to buy these shares. But the wealth that is created has to be backed up by the labour of the people of Canada, and in transactions of this kind they do not have any say in where that wealth will go.

Mr. Hosking: Did you or your theories ever provide anyone with a job?

On motion of Mr. Knowles the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, on Monday we shall have a supply motion.

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

ANSWERS TO QUESTIONS

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

CANCER—WORLD WAR I PENSIONER MORTALITY

Question No. 63—**Mr. Michener:**

1. What proportion of the first world war veteran pensioners have died as a result of cancer?
2. What is the number of such pensioners whose death has been ascribed to this cause?
3. In how many of such cases were disabilities from war service determined to be a contributing cause of death?

Answer by: **Mr. Bennett, Parliamentary Assistant, for the Minister of Veterans Affairs:**

1. 14.57 per cent of deceased pensioners.
2. 7,673.
3. 343.

Questions

NEW FEDERAL BUILDINGS

Question No. 72—**Mr. Nicholson:**

How much has been spent by the federal government on new public buildings since 1945?

Answer by: **Hon. Robert H. Winters (Minister of Public Works):**

1945-46	$ 1,255,978
1946-47	1,853,432
1947-48	1,855,416
1948-49	5,894,394
1949-50	11,350,619
1950-51	16,500,496
1951-52	19,664,984
1952-53	22,220,331
1953-54	31,256,551
1954-55	43,104,699
1955-56	49,107,118
1956-57 to Dec. 31, 1956	30,152,848

HOUSE OF COMMONS

Monday, February 11, 1957

The house met at 2.30 p.m.

HOUSE OF COMMONS

PETITION OF ALBERTA INDIAN ASSOCIATION TO THE QUEEN—RULING BY MR. SPEAKER

Mr. Speaker: The clerk of petitions has found that the petition which was filed with the Clerk by the Minister of Citizenship and Immigration on Friday, February 8, 1957, from the Indian Association of Alberta is irregular on the following grounds:

(a) It is not addressed to the House of Commons and parliament assembled;

(b) It is not in the form required by the standing orders and practice of this house since it bears no signature and does not conclude with a prayer, nor is it introduced by a member of the house. Bourinot at pages 233 and 234 states:

> In case any irregularity is reported in any of the petitions the Speaker will state it to the house and rule that the petition cannot be received.

In accordance with that I must rule the petition out of order.

EXTERNAL AFFAIRS

MEETING OF PRIME MINISTERS OF UNITED KINGDOM AND CANADA AND PRESIDENT OF UNITED STATES

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I would like to inform hon. members that the Prime Minister of the United Kingdom announced in the House of Commons in London today that he and the President of the United States would be meeting in conference from March 21 to March 24. Evidently as a courtesy to the Prime Minister the President suggested that the meeting take place in Bermuda. That is the arrangement which has been agreed upon. Since we heard of the arrangements that were being made we naturally renewed the assurance to the Prime Minister that he would be very warmly welcomed in Canada if he found it possible to come here on the occasion of his visit to Bermuda, but he informed us it would not be possible for him to come either before or after his conference in Bermuda with the President.

However, as there seemed to be matters which it would be valuable to have discussed at this time—matters of common concern to the United Kingdom and to Canada—it has been arranged that I will join him in Bermuda on the 25th and 26th of March to discuss these matters of special concern to the United Kingdom and Canada.

Mr. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I am sure that we welcome any meeting with the Prime Minister of the United Kingdom or the President of the United States. A meeting such as that cannot but be beneficial and helpful to the friendship, comradeship, and the common dedication of the forces of freedom they represent, and I am very happy to learn that the Prime Minister will be present on this occasion.

He will remember that last November or December we suggested from this part of the house that in order to bring about the closest possible relations between the United Kingdom and the United States and Canada a conference might be welcomed here in Canada in the city of Quebec, and I am wondering whether the Prime Minister gave any indication to the President, and to the Prime Minister of Britain along those lines.

Mr. St. Laurent (Quebec East): No, Mr. Speaker, I did not, and I hope I did not convey the impression that I would be taking part in the discussions between the Prime Minister of the United Kingdom and the President. I am to join the Prime Minister after the conclusion of his conference with the President.

Mr. Diefenbaker: Yes, I understand that.

INDIAN ACT

AMENDMENT TO PREVENT EXPULSIONS FROM RESERVES

Mr. D. S. Harkness (Calgary North) moved for leave to introduce Bill No. 104, to amend the Indian Act.

Mr. Knowles: Explain.

Mr. Harkness: Mr. Speaker, the purpose of this bill is to prevent the expulsion from Indian reserves of persons who have had Indian status for many years and thus bring to an end what some newspapers have called "the brutal and inhuman treatment being meted out to some of our Indians."

Motion agreed to and bill read the first time.

FISHERIES

SOCKEYE SALMON—MEASURE TO IMPLEMENT CONVENTION BETWEEN CANADA AND UNITED STATES

Hon. W. E. Harris (for the Minister of Fisheries) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to implement a convention between Canada and the United States of America for the protection, preservation and extension of the sockeye salmon fisheries in the Fraser river system, signed at Washington on the 26th day of May, 1930, and a protocol thereto signed at Ottawa on the 28th day of December, 1956, and for carrying out Canada's obligations under the said convention and protocol.

Motion agreed to.

[*Later:*]

INQUIRY AS TO NEW NORTH PACIFIC FUR SEAL AGREEMENT

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): Mr. Speaker, I wish to direct a question to the Acting Minister of Fisheries or the parliamentary assistant. Would one or the other of them tell the house the terms of the new north Pacific fur seal agreement which I understand was signed in Washington on Saturday? I am particularly anxious to know whether the Canadian quota remains the same as in pre-war years.

Mr. J. Watson MacNaught (Parliamentary Assistant to the Minister of Fisheries): Mr. Speaker, I have had no notice of the intention of the hon. member to ask this question. I will therefore take it as notice and bring in an answer tomorrow.

[*Later:*]

BRITISH COLUMBIA—INQUIRY AS TO DEVELOPMENT WORK AT SITE OF MORAN DAM

On the orders of the day:

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, in the absence of the Minister of Fisheries possibly the acting minister or the parliamentary assistant could take this question as notice. In view of press reports that there is tremendous development work going on around the site of the proposed Moran dam, 20 miles from Lillooet, would the minister make a statement regarding this matter?

Mr. J. Watson MacNaught (Parliamentary Assistant to the Minister of Fisheries): I shall be glad to take the question as notice.

[Mr. Harkness.]

MOTIONS FOR PAPERS

NOVA SCOTIA—ANNAPOLIS RIVER RECLAMATION AND HIGHWAY PROJECT

Motion No. 7—**Mr. Balcom:**

For a copy of all correspondence exchanged during 1956 and 1957, between the federal government and the government of Nova Scotia, respecting a combination land reclamation-highway project across the Annapolis river.

Right Hon. J. G. Gardiner (Minister of Agriculture): We shall accept this with the usual reservation that we receive the consent of the provincial government.

Motion agreed to.

SCANDINAVIAN AIRLINES SERVICE, WINNIPEG

Motion No. 8—**Mr. Zaplitny:**

For a copy of all correspondence, telegrams, memoranda and other documents exchanged between the government and Scandinavian Airlines, also between the government and the council of the city of Winnipeg, since January 1, 1956, related to the request of the said air line for permission to provide air passenger service at Winnipeg, Manitoba.

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I should inform the house that there has not been, since January 1, 1956, any request of the Scandinavian Airlines for permission to provide air passenger service at Winnipeg, Manitoba, and in consequence there is no correspondence between the government and Scandinavian Airlines with regard to such a request. There was an exchange of letters between the mayor of the city of Winnipeg and myself as Minister of Transport which has already been made public. I shall be glad to table that correspondence but that is all I am able to give the hon. gentleman.

Mr. Zaplitny: May I point out to the minister that the request does not relate to January 1, 1956. Only the correspondence relates to that date. The request can be as of any date.

Mr. Marler: Well, Mr. Speaker, there has never been a request for permission to provide air passenger service at Winnipeg, so the date is not material.

Mr. Speaker: Is it the pleasure of the house to adopt the motion subject to the remarks of the Minister of Transport?

Some hon. Members: Agreed.

Motion agreed to.

HUNGARIAN REFUGEES—FEDERAL-PROVINCIAL ARRANGEMENTS

Motion No. 9—**Mr. Coldwell:**

For a copy of all memoranda, correspondence, agreements and other documents exchanged between the government of Canada or any of its responsible officials and the provincial govern-

ments or any of their officials, from November 1, 1956 to date, regarding the immigration, reception, care, placement, etc., of Hungarian refugees.

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, I have no objection whatsoever to this motion but I assume it will be understood that the provincial governments concerned will have to be agreeable to production. I know no reason why they should not be.

Motion agreed to.

IMMIGRATION

LANDING OF IMMIGRANTS AT OTHER THAN CANADIAN PORTS

On the orders of the day:

Mr. S. R. Balcom (Halifax): I should like to direct a question to the Minister of Citizenship and Immigration. Is the minister aware that some steamship lines bringing immigrants to this country by-pass Canadian ports and land them in New York, from which point they go directly to other Canadian provinces by rail?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, there are no assisted passage warrants issued by my department for any except Canadian seaports or airports. Hungarian refugees who are given free passage are given it only to Canadian seaports or airports. Of course, I dare say it does happen that immigrants who are paying their own way may pay their way on ships to New York and travel by air or rail to Canada afterwards. Naturally there is nothing any government can do about that.

ADMISSION OF CHINESE FEMALES TO MARRY CANADIAN CITIZENS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I should like to direct a question to the Minister of Citizenship and Immigration. Is the policy that permits the admission to Canada of females of Chinese nationality for the purpose of marriage to Canadian citizens to be continued?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): I think, sir, this was established as an experiment for a certain length of time. So far as I am aware the experiment has worked out quite well, and I think it may well be continued.

AMISH MENNONITES—INQUIRY AS TO ADMISSION TO CANADA

On the orders of the day:

Mr. N. A. Matheson (Queens): Can the minister inform the house whether the Amish Mennonite people are being admitted to Canada as immigrants? If the answer is in the negative, can he say why?

Inquiries of the Ministry

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): I think it is well known to all hon. members that under our immigration policy no account whatever is taken of the religion of prospective immigrants. Strictly speaking, therefore, the answer to the hon. gentleman's question is that no one is excluded because he is an Amish Mennonite. It does happen that some people who are Amish Mennonites do object to accepting citizenship of a country and to participating in elections and other ordinary democratic procedures. As it has always been laid down that the main purpose of our immigration policy is to add to the citizenship of this country, such a factor is taken into account when it is present in a particular case. It is not because they are Amish Mennonites. The same consideration would apply to any other prospective immigrants about whom there was a really serious ground for believing that they did not intend to become citizens.

HUNGARIAN REFUGEES—PROVISION OF COMFORT ALLOWANCES

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): May I inquire of the Minister of Citizenship and Immigration when I may expect an answer to my question asked on February 1, and also to the supplementary question I asked on February 7, relative to a telegram from the chairman of the Abbotsford and district citizenship council requesting information as to a comfort allowance for Hungarian refugees in that area?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, I answered the telegram and I thought probably the hon. member would be informed of the answer and also that it probably would not be of any great interest to the house. The answer is that all immigration officers receiving Hungarian refugees are authorized, in the case of necessity only, to provide pocket money up to a maximum of $5 monthly for adults over 16 years of age only. Since pocket money was issued on arrival no additional issue would be made until one month after arrival.

BUSINESS OF THE HOUSE

INQUIRY AS TO FURTHER LEGISLATION AFFECTING PRAIRIE FARMERS

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): May I direct a question to the Prime Minister. Can the Prime Minister tell the house the subject matter of a further bill affecting prairie farmers to which the Minister of Trade and

Commerce referred in the house last Friday afternoon? What I am particularly interested in knowing is whether the bill will be introduced at this session despite the threat made by the Minister of Trade and Commerce that if it were going to be debated it would not be introduced.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, on a point of privilege, I made no such threat; and if my hon. friend will read from *Hansard* what I said on that occasion he will find there is no foundation for his remarks.

Mr. Coldwell: Well, I took the minister to mean that.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, there is a resolution on the order paper and when the resolution is passed the bill will be ready for introduction.

Mr. J. G. Diefenbaker (Leader of the Opposition): Will the Prime Minister tell the house to which resolution he refers? I have the order paper before me and I do not see at the moment one that has been introduced by the Minister of Trade and Commerce.

Mr. St. Laurent (Quebec East): There is a resolution concerning amendments to the Prairie Farm Assistance Act and there will be a resolution concerning interim loans on wheat.

Mr. Diefenbaker: Then the resolution regarding loans will be introduced. Apparently that is the one to which the Minister of Trade and Commerce referred and which the Prime Minister inadvertently or mistakenly said was already on the order paper.

Mr. St. Laurent (Quebec East): I am sorry; I did not look at the order paper. I said what I did because the resolution had been before us and it had been determined that we would get the approval of the Governor General to its introduction.

Mr. Coldwell: Since the Minister of Trade and Commerce asked me to look at *Hansard,* may I say that I have looked at *Hansard,* and if he will look at page 1124 he will see that he used these words:

> I cannot ask for the time this session from the leader of the house which would seem to be required to put that bill through and it may have to go over until the fall or whenever we have another session. I might try it for a day. If it goes through, all right, but if it does not the bill is out.

I took it to be certainly, as I used the term, a threat that if the bill did not go through in a day, then it would not go through at all.

[Mr. Coldwell.]

Mr. Howe (Port Arthur): That remark was made in the light of the fact that it took four days' debate to have the bill for a change in one date discussed. I also recall that it took several weeks to put through a similar bill at the last session. I said that this session we had not time for the discussion should the C.C.F. try to talk the bill out, as they have tried to talk out other bills. Every member of the C.C.F. spoke at length on the change of date bill, just as they tried to talk out the wheat legislation of last session.

Mr. Coldwell: I rise on a question of privilege, Mr. Speaker. Certainly my colleagues did not try to talk out the bill. As a matter of fact, the bill continues an act in which we were primarily interested when the government was opposed to a wheat pool in the sense we have it now. Had the objections to extraneous matters been raised that were raised by my friend the hon. member for Moose Mountain (Mr. McCullough) to the speech that was made by the hon. member for Moose Jaw-Lake Centre (Mr. Thatcher) the debate would not have been that prolonged.

HIGHWAYS

BRITISH COLUMBIA—APPLICATION FOR CONSTRUCTION OF DEAS ISLAND TUNNEL

On the orders of the day:

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, I should like to direct a question to the Minister of Public Works. In view of the answer the minister gave me on Friday last that the guaranteed depth of the Fraser river at low water in the first narrows is 37 feet 6 inches, would he now answer the question I asked him that day, namely would he guarantee that the same depth will be maintained at all times from the mouth of the Fraser river to the city of New Westminster, that is to a depth of 37 feet 6 inches?

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, I think the hon. member will recall that when I answered the previous question I said that the design depth over the centre line of the tunnel was 40 feet 9 inches and that the government of British Columbia was to undertake to maintain that depth both over the centre line of the tunnel and within a certain distance of either side of the centre line. It is the government of British Columbia that is giving the undertaking to maintain the depth to which I referred.

Mr. Hahn: I have a supplementary question, Mr. Speaker. The question has to do

with the possibility of ships going past the Deas tunnel to the city of New Westminster. There is 40 feet 9 inches of water over the Deas tunnel. I should like the minister to tell the house what the purpose is of having the tunnel down that depth if you are not going to be able to run ships up to the harbour at New Westminster.

Mr. Winters: Mr. Speaker, I am sure my hon. friend knows what the purpose of the tunnel is.

Mr. Hahn: Mr. Speaker—

Mr. Speaker: The question as to what purpose the department might have is a matter which should be debated and this is not the time for a debate.

COMBINES INVESTIGATION ACT

GASOLINE AND FUEL OIL—INQUIRY AS TO RESTRICTIVE TRADE PRACTICES REPORT ON INCREASED PRICES

On the orders of the day:

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, I had a question for the Minister of Justice. I believe the Minister of Finance is the acting minister. I wonder whether the minister could inform the house whether or not he has received a report from the restrictive trade practices commission in connection with the recent increases in the prices of gasoline and fuel oil. In view of the fact that a probe has been ordered in the United States to investigate price-fixing collusion by the major oil companies, will the minister consider again ordering an inquiry under the Combines Investigation Act?

Hon. W. E. Harris (Acting Minister of Justice): I shall make inquiries, Mr. Speaker, as to whether or not the report has been received and advise the house.

CITIZENSHIP AND IMMIGRATION

INDIAN AFFAIRS—STATEMENT ON TIME LIMIT OF OCCUPATION UNDER ACT

On the orders of the day:

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Perhaps I might be permitted to give an answer that I promised to the hon. member for The Battlefords. On Friday he asked me whether the time had expired under the Indian Act when Indians could protest the occupation of other persons on a reserve. He also asked whether there were any persons, other than those in the Samson case, under protest at the moment on Indian reserves.

The answer I gave to the first question the other day was correct. It is no longer possible to make protests about persons whose names were placed on the band lists which were posted pursuant to the act of 1951. Such protests had to be lodged within six months of the posting of the lists. The only protests which can now be entertained are those respecting names which may be added to the lists from time to time in the future.

In addition to the Samson case there are four other cases which have been appealed to the courts where the courts have not rendered a decision. These cases involve 23 families. In the case of 18 families, the appeal is against the decision of the registrar that those families have Indian status. In the case of the other five families, the appeal is against the decision of the registrar that the families do not have Indian status.

THE BUDGET

INQUIRY AS TO PROGRESS IN PREPARATION

On the orders of the day:

Mr. Solon E. Low (Peace River): May I direct a question to my genial friend the Minister of Finance? Is he making progress in the preparation of the budget that will be presented to this house before the dissolution of parliament?

Hon. W. E. Harris (Minister of Finance): Yes, Mr. Speaker, I have made a great deal of progress on the budget in recent days.

PUBLIC WORKS

ANNAPOLIS RIVER—INQUIRY AS TO PROPOSED CAUSEWAY

On the orders of the day:

Mr. G. C. Nowlan (Digby-Annapolis-Kings): Can the Minister of Agriculture tell the house what is the present status of negotiations between Nova Scotia and the government of Canada with respect to the causeway across the Annapolis river, the announcement of which was made some time ago and which has not appeared in the main estimates?

Right Hon. J. G. Gardiner (Minister of Agriculture): Just a few moments ago I agreed to bring down the correspondence in connection with the matter under notices of motions for the production of papers. I presume it is the same matter about which the question is being asked.

There has been no change whatsoever in the meaning of the correspondence or discussions which have taken place as a result of the fact that there has been a change of government. There has been a change of government in Nova Scotia since the negotiations took place in connection with this matter and the present government has been notified, as the correspondence will indicate,

that we are prepared to proceed right from that point in the matter as though there had been no change.

TRANSPORT

INQUIRY AS TO APPOINTMENT OF CONTROLLER

On the orders of the day:

Mr. F. D. Shaw (Red Deer): Mr. Speaker, I should like to address a question to the Minister of Transport. Is it the intention to appoint a transport controller?

Hon. George C. Marler (Minister of Transport): I have already made some comments on this subject in the house. I do not think I can usefully add anything to what has already been said.

EGGS

STATEMENT ON OPERATION OF FLOOR PRICE

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, on February 6 I directed a question to the Acting Minister of Agriculture. If the minister has taken notice of the question I wonder whether he is prepared to give an answer to the house? My question was this:

Mr. Speaker, I should like to direct a question to the Acting Minister of Agriculture. Can the minister say whether the government has sufficient concern about the serious condition facing the poultry industry in Canada with respect to eggs to take government action to assist the industry?

Right Hon. J. G. Gardiner (Minister of Agriculture): Yes. Well, Mr. Speaker, a number of questions have been asked on this matter and one was asked on Wednesday last which had to do with the detail of the same matter, and I shall answer the larger question later.

On Wednesday last the hon. member for Victoria, Ont. (Mr. Hodgson) asked a question regarding the price of eggs being delivered to grading stations in his constituency. I have made inquiry and am advised that apparent prices available to producers in that area have been on the basis of 30 cents or more per dozen for grade A large eggs, which is regarded as being in line with the support price.

With regard to the larger question which has been referred to by the hon. member for Moose Mountain, the arrangements which have been made in connection with eggs date back to about six years ago, and we have been carrying on the same policy from that time down to the present, which is to the effect that we are prepared to accept eggs in storage at storage points across Canada on the basis of 38 cents a dozen at the storage

plants. Difficulties have developed on two or three occasions during the last six years which have made it necessary for us to change the regulations from time to time in order to make it possible for us to enforce the intention of the policy which we are following.

We had some difficulties two years ago which resulted in our having eggs off the market at a time when eggs were going up very high in price. They went up to 85 cents a dozen and we were holding 107,000 cases of eggs. Therefore, during the next year we changed the regulations to make it possible to put the eggs back on the market at any time, with the result that we continued on through last year without any difficulty.

This year, for reasons over which we have very little control, there did develop a very high supply of eggs around the middle of November and it increased into the month of January. The regulations, as they stood, were found again not to be such as to make it possible fully to enforce the intentions of the policy, and so we have again changed the regulations to make it possible for us to take the eggs, oil-dipped, as of a date in January and we continue to do so. That has had the result in most places of putting the eggs up to 30 cents grade A large to the producer. There are odd places where they are down to 29 cents and there are some where they have been down perhaps even lower than that. The difficulty in places where they have been priced lower, such as, say, in western Ontario, in certain parts of Saskatchewan and elsewhere, is that we have no control whatsoever over the dealings within a province. Since control over intraprovincial trade is with the provincial authorities and always has been, if someone does sell eggs at 28 cents a dozen, grade A large, intraprovincially we have no means of prosecuting anyone for doing that, nor have we any authority to say that they must be sold at some other price. There will be places across the country where eggs are sold at prices lower than the 38-cent price delivered at storage plants. That is sometimes due to the fact that the storage plant is a long distance removed. All I can say is that in so far as it is possible to enforce the idea we are prepared to buy eggs at 38 cents grade A large at storage, and that is all we can do under the circumstances. We say we are prepared to buy eggs at a certain place under certain conditions at a certain price; if the eggs are delivered there we buy them, but if somebody undertakes to sell eggs to some person at a lower price than that within the province we have no way of enforcing the price. We cannot compel him to deliver them to us at some other point.

Mr. C. W. Hodgson (Victoria, Ont.): I should like to ask a supplementary question. Where does the minister get his information with respect to the riding of Victoria (Ont.) to the effect that eggs are selling for 30 cents? I have information from his own department that slips have been issued at 26 cents for grade A large.

Mr. Gardiner: We sent people up there to look into the matter and they report that they could have got 30 cents if they had taken them to the place where the required conditions were met.

Mr. Hodgson: Where is the right place? The slips I have are from every grading station in the riding.

Mr. Gardiner: The hon. member had better consult the government of Ontario and get them to enforce the price that is available.

Mr. Hodgson: The minister had better do something for the dominion government.

PENSIONS

REQUEST FOR INCREASE IN PENSIONS OF SUPERANNUATED FEDERAL CIVIL SERVANTS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Minister of Finance. Has the minister any progress to report in connection with the consideration to which he referred on January 14 to be given to the plight of superannuated civil servants, especially those whose pensions are in the lower brackets? Is he yet in position to announce whether an increase in those pensions will be provided?

Hon. W. E. Harris (Minister of Finance): I suggest that this is not a proper question at this time. I do not want to labour the point, but I think the rules provide that questions are asked to elicit information for use in subsequent debate in the house. A question should not be asked at regular intervals if the government is formulating policy because everyone in the house knows that government policy is announced in the normal way in the house if the house is sitting, or if the house is not sitting by a public statement. I suggest that we do not waste too much time in asking this kind of question.

UNEMPLOYMENT INSURANCE

HAMILTON—INQUIRY AS TO DELAYED PAYMENTS TO AUTOMOBILE WORKERS

On the orders of the day:

Mrs. Ellen L. Fairclough (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of Labour, and as he is not in the house perhaps someone else could answer it. Is the minister aware that there is a serious situation existing in Hamilton with regard to delay in providing unemployment insurance benefits, particularly to workers in the automobile industry who have been laid off recently?

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): I will draw the attention of the Minister of Labour to the hon. member's question.

PRIVILEGE

MR. KNIGHT—REFERENCE TO ARTICLE IN "STAR-PHOENIX" OF FEBRUARY 9

On the orders of the day:

Mr. R. R. Knight (Saskatoon): Mr. Speaker, I rise on a matter of personal privilege which may not seem important to the house generally but which would involve considerable injustice to the Conservative opposition if I did not rise at this time. The *Star-Phoenix* of February 9 contained an article which stated that in the course of my speech I had blasted members of the Conservative party in this house for having voted against certain resolutions, and the first one named was the resolution in regard to federal aid to education. I immediately called the editor and he assured me that it was a mistake on their part which will be corrected today.

So it may be clear may I state what I did say. I gave the Conservative party full credit for having supported that resolution on former occasions. I stated that Mr. Drew, a former leader of that party, had on several occasions spoken immediately after I had and led his followers in support of that action, both by voice and, when the opportunity occurred, by vote. The mistake may have arisen from the fact that I had said that I thought that for certain reasons, which I need not go into now, the support of that party had been somewhat less enthusiastic than before and that I was disappointed that the only member of the party who had spoken in favour of the resolution was the hon. member for Digby-Annapolis-Kings (Mr. Nowlan).

GRAIN

WHEAT—INQUIRY AS TO STATUS OF EXPORTS AND SALES

On the orders of the day:

Mr. Daniel McIvor (Fort William): Mr. Speaker, I should like to ask the right hon. Minister of Trade and Commerce a question because of the criticism offered by many hon. members to the effect that Canada was losing sales of wheat in the markets of the world and

also because there appeared in the *Manitoba Co-operator* details of wheat sales which showed an increase for last year. My question to the minister is this. Is there any foundation for this criticism? Second, what other countries in the world have increased their sales?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, we do not discuss sales of wheat, we discuss exports of wheat. Exports of Canadian wheat were higher this crop year than at the same date last year to the extent of 26 million to 27 million bushels. We have increased our sales of wheat to our three largest customers, the same customers this year as last year, Great Britain, West Germany and Japan.

Mr. McIvor: I thank you.

Mr. Winch: I have a second question—

Mr. Speaker: The first question should not have been asked.

FINANCE

RESULTS OF SURVEY OF INVESTMENT INTENTIONS FOR 1957

On the orders of the day:

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I have arranged to make available a departmental release summarizing the results of the survey of investment intentions for 1957. On the basis of the plans reported in the survey, total capital expenditures in Canada, both private and public, would reach $8.5 billion in 1957. This outlay, if realized, would represent an increase of 8 per cent over the $7.9 billion spent in 1956.

LIVESTOCK

STATEMENT ON INQUIRY INTO METHODS OF SLAUGHTER

On the orders of the day:

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, in reply to the question asked by the hon. member for Kootenay West on Thursday regarding the humane slaughter of meat animals, I regret that I am not in a position to go into the matter in any great detail. It would seem more appropriate that discussion of this somewhat involved question should take place on estimates rather than during the question period.

However, I can indicate to the hon. member that officials of the Department of Agriculture have had the question under study and information has been collected from official and other sources in the United States and from several European countries. This has been discussed with responsible officers of the packing industry and there have been some discussions between the industry and certain sections of the S.P.C.A. to which officials of the department have been invited. At the present time both groups are considering the issue in a frank, exploratory manner.

As the hon. member knows, there already are provisions in the Criminal Code under which action can be taken against persons responsible for cruelty to animals, whether such cruelty is associated with slaughter for meat or otherwise. Study so far given to the problem by our officials does not indicate the desirability of further federal legislation on the matter at the present time.

I can assure the hon. member that the minister and officials of the Department of Agriculture are genuinely interested in promoting the most humane methods possible of slaughtering meat animals adaptable to meat packing operations in Canada, and are pursuing the course which they think is best fitted to achieve that end.

Mr. Harold E. Winch (Vancouver East): May I ask a supplementary question?

Has there been any discussion between the minister's department and the provinces on the question of jurisdiction in this matter, and has there been any understanding between the department and the provinces that the provinces would like the federal government to take appropriate action under federal legislation?

Mr. Gardiner: As the statement indicates, there have been discussions with the provincial authorities and those who are interested in the question in general, and we are at all times giving consideration to those matters in relation to which we have authority. But—and this, of course, is obvious from the question asked—there are certain matters which can only be dealt with by the provinces themselves.

Mr. Winch: If I may continue, Mr. Speaker, is there any understanding yet that the provinces have asked your department to accept the responsibility of bringing in legislation?

Mr. Gardiner: There is no doubt—although I cannot give an instance of it—that this kind of request has come out in the discussions which have taken place, but the constitution pretty well settles the question whether we can or cannot legislate.

SUPPLY

Hon. W. E. Harris (Minister of Finance) moved that the house go into committee of supply.

MOTION FOR ADOPTION OF NATURAL RESOURCE DEVELOPMENT POLICY

Mr. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, today's announcement by the Prime Minister regarding the meeting that is to take place in Bermuda, at which he will be present during the latter day or days, is one more indication of the degree to which Canada, the United States and the United Kingdom find themselves allies, making their respective contributions to the preservation and maintenance of peace with freedom throughout the world.

However, I was disappointed that the Prime Minister did not see fit to invite the President of the United States and the Prime Minister of the United Kingdom to Canada. I cannot understand the attitude of the government in this regard. In the days of war, at the Quebec conference, there was begun a movement, in a joint alliance, that led to victory. Why the government of Canada should now seem so afraid to do anything in so far as our country is concerned to bring together Britain and the United States in a conference is difficult of understanding. I wonder what is the reason for this.

Notwithstanding the vast reserves that we possess, the contribution that has been made in two world wars, the degree to which today our mineral and other resources are making their contribution to the forces of freedom everywhere in the world, for some reason that has not been explained, though there is a tremendous desire—and a commendable one—to make a contribution in the United Nations, there does not seem to be a similar attitude of mind when it comes to bringing together the United Kingdom and the United States with Canada.

Only today Canadians heard with, I would say, considerable surprise an announcement made over the American Broadcasting Corporation by Mr. E. O. Newman regarding Canada's attitude last fall during the Suez affair. We have never been able to find, nor were we able to secure, the message that was sent by the government of Canada to the former prime minister of the United Kingdom, Sir Anthony Eden. What that message contained no one knows, because when application was made to the United Kingdom for publication of that message the government of Canada very carefully provided in the request that if that message were to be made available then all of the correspondence and all of the private messages which had passed over a period of months would have to be included.

And over and over again, because of the government's failure to produce that document and its apparent desire to conceal it, having regard to the kind of message that was sent to the government of the United Kingdom, information is forthcoming in various ways interpretative of what that message included. And today we are faced, over the American Broadcasting Corporation system, with information that the Prime Minister's letter to Sir Anthony Eden in the fall of 1956 contained a warning that unless Britain and France called off the invasion of Egypt within 24 hours Canada would withdraw from the commonwealth.

Mr. St. Laurent (Quebec East): Whoever made that statement, Mr. Speaker, made a very inaccurate statement and one that is entirely false.

Mr. Diefenbaker: Mr. Speaker, that statement on the part of the Prime Minister places him in a position where he interprets the message—

An hon. Member: It does not.

Mr. Diefenbaker: —where he says that we cannot see the message, but where he gives us the contents by negation.

And when I heard the Prime Minister say today that no invitation had been extended to Britain and to the United States to meet here in Canada, I found it difficult to understand the reasons why, after so long, this government, in view of Canada's outstanding place in the international world, should seem so diffident about doing a thing that on the face of it would seem to be a reasonable one.

Certainly, the events of the past few weeks indicate that there will be an acceleration of the "cold war"; that everywhere in the world it will be waged more aggressively than ever before, and that we, within our own country and within the nations of the free world, will have to give more and more attention to the preservation of our freedom on the defence front, and also to the preservation of our economic strength in order to meet the trade offensive that is being launched everywhere in the world.

Everywhere today the search is for the raw materials necessary for defence. One of the major reasons for Nasser's action in the Suez and also the degree to which he is undermining Britain and France in the Middle East is the fact that in that area there are vast supplies of oil which as Nasser has set forth in his book are necessary if the instruments of technology are to be mobilized effectively. We know more in the last weeks as the result of Khrushchev's announcement that the de-Stalinization of the idol has taken place. He now reverses that attitude and everywhere in the world the U.S.S.R. is engaged

in an offensive to secure control of the economic things so necessary to the maintenance of the military machines.

In recent years we in this party have over and over again endeavoured to secure on the part of the government a determination to launch in Canada a national policy of development, not one that is effective only in certain parts of Canada but one that will be universal and apply to every part of the country, one that will prevent the present situation whereby certain provinces find themselves frozen in underdevelopment and other provinces, because of their greater resources, are enabled to advance and to increase their trade and their industrial production.

Going back over the years, because it is of this situation that I intend to speak today, we in this party have consistently endeavoured to bring to the attention of the house the necessity for the launching of a program of extensive national development. The Minister of Trade and Commerce gave certain figures today indicating that total capital expenditures were $8½ billion during last year, an increase of 8.9 per cent. That in no way meets the challenge that we have over and over again brought to the attention of the government, that whatever the amount of capital expenditures may be those capital expenditures are not reasonably distributed across the country. In the result, various provinces—I refer particularly to the maritimes and the province of Saskatchewan in the west—find themselves unable to have that type of economic advancement which other provinces, more blessed with the resources of power than are the areas in question, have been able to achieve.

On June 16, 1952, as recorded at page 3263 of *Hansard*, this party presented a motion moved by Mr. Drew and seconded by the late Mr. Graydon in these words:

> . . . whereas the natural resources of Canada are a heritage that should be developed and conserved for the purpose of providing the greatest possible measure of opportunity and security for all Canadians this house is of the opinion that immediate consideration should be given to a national policy under a system of free enterprise and in close association and collaboration with the provinces that will:
>
> (a) promote and develop all the country's natural resources for the benefit of the people of every part of Canada;

I emphasize those words and say that the events that have taken place since indicate that in the view then expressed we were entirely correct in our evaluation of the situation.

> (b) protect and conserve our forest, mineral and other resources from undue depletion or exhaustion;
>
> (c) expand the use of our resources for industrial production in Canada and thus create greater opportunities for employment and advancement of Canadians.

Later, in 1955, a further motion was presented by way of amendment to the address in reply to the speech from the throne. It was moved by the then acting leader of the opposition, the hon. member for Dufferin-Simcoe (Mr. Rowe) and it proposed that action should be taken for this, among other purposes:

> To facilitate and encourage the processing of our natural resources in Canada, and thereby increase opportunities and employment for Canadians.

Then, on the 9th of July, 1956, less than a year ago, a motion was presented by Mr. Drew, seconded by the hon. member for Eglinton (Mr. Fleming), in these words:

> This house is of the opinion that the welfare of the Canadian people requires the adoption now of a national development policy which will develop our natural resources for the maximum benefit of all parts of Canada, encourage more processing of those resources in Canada, correct the present serious unfavourable trade balances, foster wider financial participation by Canadians in the development of our resources, and promote greater opportunity and employment for a steadily increasing population.

That was in July of 1956. That was when the Gordon commission was engaged in hearing evidence across this country, a commission which cost Canada at least $1 million and which by its report has given support to almost every one of the points raised by this party in July of 1956 and back through the years to 1952. Yet we hear nothing about what the government intends to do with the Gordon report. Is the report to be embalmed? There has been a thunderous silence on the part of the government with respect to the action that it intends to take in this regard. The only words that have been spoken have been words of condemnation by the Prime Minister (Mr. St. Laurent) and by the Minister of Trade and Commerce.

Is it not a strange thing that the report of the Gordon commission, which was referred to in such warm terms in July last by members of the government, which was going to set forth in detail the course to be taken by Canada, which would be the instrument whereby the government would have information upon which it could act, has at this session been filed and forgotten? It has been put away in mothballs. I asked the Prime Minister on one occasion what the government intended to do, and in effect the answer was that at this session the government had no program in this regard.

Will the government say what portions of the report will receive its imprimatur? We know there are certain portions that have already received the utmost condemnation from the government. It is a strange thing that this commission, which was to be the chart, the compass of Canada's future in the

next 25 years, has indeed become something in which the government shows but little interest. Is it because with regard to national development, with regard to the criticisms of this party, respecting not American investment in Canada but the degree to which the investment in Canada by foreign corporations was uncontrolled for the benefit of Canada, we in this party advocated and now advocate a national policy that will provide a dynamic influence in the economy, that will have a sense of national purpose and national destiny.

We do not want a day-to-day course wherein there are great developments in Canada depending on the world situation, but a plan; not a planned economy but a national policy; not a policy of nationalism but one whereby Canada in the days ahead will remain an independent Canada and will not inexorably drift into economic continentalism; one whereby Canada will maintain her economic independence and her sovereignty; a policy that will provide national development for a greater Canada in which growth and prosperity will not be purchased at the expense of our economic independence and our effective national sovereignty.

When we said these things and warned of these dangers in past years, we were met by a contemptuous attitude on the part of the government. Today as one reads the Gordon report one can only conclude that Mr. Gordon and the outstanding group associated with him found that there was a solid basis for the amendments which we moved and the courses which we suggested. Our attitude was misinterpreted. It was said that we were opposed to a flow of foreign investment. Over and over again we took our stand on that matter. We said it was necessary, that it was part of our development; but we pointed out that the Canadian share of ownership and control was declining in certain mining, smelting and petroleum industries and in certain manufacturing industries. We pointed out that, as realists, we understood that if foreign investment were to stop or to be seriously hampered, a serious if not deadly blow would be struck at our development.

We did not object to United States investment but we asked for a positive national policy which would prevent foreign investment from furthering the process of continental economic integration and ultimately undermining our national identity. We said we wanted to encourage foreign concerns to develop more Canadian interests and character in their operations. We wanted them to sell equity interests in Canada. The ministers of the government ridiculed our suggestions at that time. We said that Canadians should be on boards of directors and that Canadians should have the opportunity of investing in industries operating in Canada. We pointed out that it was possible if not likely that foreign corporations operating here would have in mind at all times not Canadian considerations or Canada's public welfare. We contended that if foreign investment were to remain predominant in our resource industries this country of ours, with its almost fathomless resources, would come to have a purely extractive national economy supplying the materials for other nations to process and to turn to useful purposes.

Those were some of the questions that were raised. We said it was not in keeping with Canada's destiny that foreign industry should have almost absolute power and control over many enterprises in our country; that in many cases Canadians were denied having more than token interest in those companies. We suggested that there should be an opportunity of a greater participation in those companies by Canadians and a voice in sharing in the destiny of important sectors of our economy and in particular among those extractive industries to which I have made reference.

Those were the views that were expressed. Those were the views that, by the Minister of Trade and Commerce (Mr. Howe) last July, were categorized as some of the greatest rot he had ever heard. Mr. Speaker, I am going to read some of the suggestions made by this party on July 9, 1956 and which, in the light of subsequent events and an analysis of the Gordon commission report, now stand out as being approved by that commission as justifiable criticism of the situation then prevailing. I am going to quote for a moment what Mr. Drew said at that time in a speech in which he set out the views of this party on this question, and in particular in connection with the financial expansion from the United States into Canada and the interlocking economy created as a result. He raised certain points and in particular, as reported at page 5777 of *Hansard*, July 9, 1956 he set out some of the results of the situation which had developed:

1. A heavy net outflow of interest and dividends increases the amount of goods which have to be shipped abroad to raise the necessary foreign exchange. In other words, the profits are drained out of the country and the amount of goods which can be imported at any given level proportionately reduced.

2. Foreign interests control the pricing policies of their Canadian subsidiaries in a way that could be a great disadvantage to the Canadian consumer.

3. Foreign financial control is in a position to decide the extent and the form of the operations of their Canadian subsidiaries, and they can use earnings from their Canadian subsidiaries to finance expansion of plants outside of Canada.

Natural Resources—Development

On October 16, 1956, speaking in Chicago, the Minister of Trade and Commerce used many of the arguments which we had used and which were criticized here in the house. He did this as he spoke to Americans with regard to Canadian operations of United States corporations. Among the things that he asked for were those which he had ridiculed when they were advanced by this party over and over again. In the course of his speech there he said this: 1. Let Canadians have a chance to become minority shareholders in subsidiaries. 2. Provide more opportunity for advancement of Canadians to top jobs. 3. Let Canadian branch plants take on more export business. 4. Make public more information on branch operations in Canada.

Those were some of the things that over the years this party had been advocating. Indeed the Minister of Trade and Commerce in the month of October, having for a period of five years or more cast nothing but contempt and scorn on the views expressed by this opposition relative to this matter, adopted several of them on the occasion of that gathering in Chicago. Indeed, he went on to point out one serious situation that arose, because these companies were United States companies operating in Canada. When subsidiaries here in Canada endeavoured to export from Canada in order to fill orders in international trade in various parts of the world, they were stopped from doing so and the exports were made from the United States. All this we on this side had referred to over and over again.

In addition to the points to which I have already referred the attitude taken by this party included certain other criticisms. I quote again from page 5777 of *Hansard* for July 9, 1956:

> In many cases senior positions in Canadian subsidiaries are held by other than Canadians.
>
> Foreign management may use its Canadian plant to manufacture goods for export only when the United States plant is too busy to handle its export orders. This creates undesirable fluctuations in production and employment in the Canadian subsidiary.

When we stated that last July we were answered by laughter and ridicule, yet by the month of October, apparently under the impelling influence of the Gordon report which today seems almost as dead as the Dodo so far as the government is concerned, the Minister of Trade and Commerce (Mr. Howe) changed his attitude very considerably.

It was also pointed out by Mr. Drew on the same page of *Hansard*:

> A foreign company may not give the Canadian public adequate information about the affairs of its Canadian subsidiary. A number of Canadian subsidiaries today are operating under laws which do not compel them to give the information which is essential for an understanding of their operation.

This point, too, was brought out by this party, and again in his Chicago speech the Minister of Trade and Commerce adopted that criticism in part and indicated that it would be to the interests of Canada if United States companies or their subsidiaries in Canada would provide information similar to that required by the S.E.C. in Washington.

Then we stated:

> United States interests doing business in Canada are subject to some laws of the United States such as the anti-trust laws. No matter how desirable the purpose of any of those laws may be, the result is that there can be an interference with business in Canada by the decision of the United States court or other tribunals.

The next paragraph reads:

> Industrial research for Canadian owned subsidiaries of foreign owned corporations may be carried on outside the country so that there may not be adequate inducement for skilled personnel to remain in Canada.

Again, this idea was adopted by the minister in his October speech. Our position today is this. While we do extend a considerable additional amount of assistance to students in the universities, many of our technological and trained scientific men find it necessary to migrate to the United States and there engage in research in the mother companies of Canadian subsidiaries. Over the years we have contended that United States companies in Canada, and their subsidiaries, should be required to divert a share of research to the Canadian company proportionate to that expended in the United States.

I am not going to quote further from that speech of July 9, 1956. All I have quoted is for the purpose of showing the degree to which those criticisms that we made as to the danger of the situation were founded on reality, and their weight has now received the support of the Minister of Trade and Commerce, not in this House of Commons but in a speech delivered in the city of Chicago.

When we were taking this stand which the Minister of Trade and Commerce ridiculed as a nationalistic one and characterized as an emotional outburst against United States capital, he said, in effect, we were indulging in scare stories, in fantasies. Then, a few months later, in a speech in October, the minister quoted verbatim from the Gordon report in certain particulars and supported many of the criticisms which we made and will continue to make.

What of this report? What does the government intend to do about it? Are the recommendations to be carried into effect? If they are valid recommendations, they should be used. They must be valid because several

of them to which I have referred have received the approbation of the Minister of Trade and Commerce. Why should there not be legislation introduced at this session in order to correlate all the recommendations and to give substance to those that could be made the subject of legislative enactments.

I am not going to quote from the report except to refer to certain pages that are indicative of support for the stands that we have taken. At page 48 the recommendation in connection with iron ore is that it would be difficult to greatly extend the fabrication or processing of iron ore in Canada. Then, the report continues:

> There may be sound arguments and better opportunities for refining a greater percentage of certain metals—for example, nickel, lead, zinc, titanium and perhaps uranium—prior to export, but each situation requires careful study on an individual basis before any such conclusion would be justified. . . .
>
> As a way in which to come to grips with this problem, there might be some merit in requiring exports of ores, concentrates and other semi-processed commodities to obtain export permits, which when issued would be good for a stated number of years. Each case should be examined carefully and individually. New mines, for example, could be given every opportunity to get under way and into production. But it could be made clear that the circumstances in each case would be re-examined at stated intervals and that exporters would be expected over the years to do more processing in Canada except when the obstacles in the way of doing so proved to be real and the cost disadvantages appreciable.

At the moment I am not advocating export permits. I am asking the government, now that the Minister of Trade and Commerce has at long last agreed with many of the suggestions that have been made by this party, what is going to be done in order to preserve to the greatest possible benefit of Canada those vast mineral resources that are ours? What attitude does the government take? Our resources are not inexhaustible. This becomes apparent when one reads of the situation in the United States and how in recent years many minerals have become reduced to a degree that could never have been anticipated 25 or 30 years ago. When the United States becomes more dependent upon Canada, what are we going to do about it? According to Professor Allan N. Bateman, chief of the department of geology of Yale University, by 1975 the United States will be dependent for 65 per cent of its copper, in part from Canada, whereas during the war it was only dependent for 37.6 per cent of its requirement.

Iron ore, during the war, 2 per cent; by 1975, from 35 per cent to 45 per cent, mainly dependent upon Canada and Venezuela; lead, during the war, 44.2 per cent; by 1975, 70 per cent; mercury, 43.2 per cent. By 1975 it will go up to 80 per cent. Petroleum; it was not dependent upon importation during the war. By 1975, it will require in imports from Canada, the Middle East and Venezuela, 50 per cent of its needs; sulphur, from nothing to 50 per cent; titanium, from 26 per cent to 80 per cent; tungsten, from 61 to 70 per cent; zinc, from 36.7 per cent to 60 per cent. In every one of these instances there are, of course, other countries which provide a portion of the necessary supplies.

Last year the dominion bureau of statistics answered those who contend that Canada has an inexhaustible supply of raw materials, and indicated that Canada's present resources would be exhausted in varying degrees in from 22 years to 64 years if further discoveries were not made. The figures were that Canada's copper resources would be exhausted in 24 years unless further discoveries were made; petroleum in 22 years; lead in 26 years; nickel in 30 years; zinc in 30 years; and asbestos in 64 years. All of this indicates that our resources are not inexhaustible and that action should be taken to encourage the processing of those resources in Canada in a considerable way instead of shipping them in the main in raw form.

Now, sir, that is the background of the amendment which I intend to move after I have placed before the house certain suggestions and ideas with regard to a national development policy. We say first that every encouragement must be given to the processing of domestic raw materials in Canada to a much greater degree than exists today. The reason is that our resources should be utilized to the maximum advantage of the Canadian people. Again, I repeat, that does not mean the discouragement of foreign investment, but it means that investment in Canada in our resources must be directed to the maximum benefit of Canada. We follow the recommendations of the Gordon commission in this connection, that wherever possible foreign companies should employ Canadians in senior management and technical positions, should retain Canadian engineering and other professional and service personnel and should do all of their purchases of supplies, materials and equipment in Canada.

I mentioned a moment ago the degree to which we are losing such a percentage of our highly trained engineers and technical scientists to the United States because of the fact that in connection with research, most, or all in many cases, of the research done by these large United States corporations operating in Canada is done in the United States rather than in Canada. We feel if those companies within our country

would provide that a reasonable share of the expenditures be made for research in Canada it would assure the keeping in Canada of outstanding young men and women for the building up of Canada and would assure as well that our technological advancement would be in keeping with the tremendous resources that our ours.

Second, in so far as northern Canada is concerned, there can be no question whatever that in the territories there has not been a policy of vision in keeping with the tremendous potentialities of that area. There is no question of constitutional division of responsibility between the dominion and the provinces in the North West Territories. In that area there are vast resources that should be developed, with the state making possible that development by providing the means and the climate for private industry to develop and expand. I can see this northland of ours with developments envisaged by D'Arcy McGee in his magnificent speech at the time of confederation as he saw that great Canada. I can see cities in northern Canada north of the Arctic circle. There are vast power potentialities in that area. I can see cities developing there as they are developing today in Norway, if only the government would catch the vision of the possibilities.

As we enter this age in which science we believe will dwarf the achievements of the past, the northern storehouse in the territories must be rendered accessible and available. Airway transportation cannot discharge that responsibility. Railways are limited in what they can do. Water transportation is insufficient.

I am one of those who believe in the vision of Sir Wilfrid Laurier and of Sir Robert Borden in 1912; I am one of those who believe that there should be undertaken, in co-operation between the federal government and the provinces, a national highway policy to provide highways for vast developments in the north. The challenge of communism now and in the days ahead demands that our vast northern resources shall be made accessible and available to industry. A proper resources program whereby the federal government would make contributions or assure costs in co-operation with the provinces would be one that would make available and accessible vast areas in the north that still remain undeveloped and will remain so unless action is taken.

In this connection, many hon. members in the last few days have received a resolution that was passed some time ago. I give this as an illustration only because it represents the general summary of the possibilities. It is contained in a brief submitted by the Uranium City chamber of commerce and the Prince Albert chamber of commerce in regard to the vast developments in Uranium City and in northern Saskatchewan, and to the need of action for development. It points out that in the Beaverlodge area on the north shore of lake Athabaska, with its focal centre at Uranium City, is an area that has developed rapidly within the last decade. In 1956 it produced some $27 million worth of new wealth in the mining of uranium ore. Large-scale expansion programs are now under way. The resolution shows that what is needed is transportation. The water route takes too long and the air route is too costly. It comes up with the suggestion—it is one that I said a moment ago was advanced in this house as far back as 1912:

> That we urge the government of Saskatchewan to approach the government of Canada for grants in aid for the construction of such a road and that we request the government of Canada to consider such grants in aid as part of the national program for the development of our natural resources.

I mention that because it is an example of the kind of thing I have in mind. After all, in so far as northern development is concerned, the responsibility within the provinces is left to the provinces but the major beneficiary is always the federal government in the additional taxation which is made possible by reason of the expansion.

We in this party have enunciated certain principles in this regard which we believe are necessary if the development of our country is to equal its possibilities. We believe that the welfare of the Canadian people requires joint investment from time to time for the development of power and other self-liquidating projects in any province where the government of such province requests the co-operation of the Canadian government in carrying out such development. In the case of projects which are not directly self-liquidating we believe that in co-operation with and at the request of a province the federal government should embark upon a bold and aggressive program of the development of natural resources by means of railways, highways and access roads, and also reclamation and conservation schemes, and that these projects will make available to this and future generations the natural wealth of Canada.

Also in connection with power development which is so necessary we believe that Canada's right to the potential hydroelectric power latent in international rivers in Canada should not be parted with under any circumstances, and that the benefits of such hydroelectric power should be preserved for the ultimate use of the people of Canada. These are one or two suggestions in connection with power development which we

believe deserve the serious consideration of this parliament and the Canadian people.

We think that there should be an exhaustive investigation into our power resources in a manner similar to that followed in the United States by a representative of the atomic energy commission and also by the Paley commission. In this way the energy requirements of this nation and the degree to which they will be available to us will be set out in authoritative detail. In order to meet the industrial demands of Canada's future there is a need, as is set forth in the Gordon commission report, for the setting up of a Canadian energy board with a membership composed of technical personnel which might be selected by the ministers of the departments particularly interested and also by the president of the national research council. Upon that committee as well there should be representatives of industry and of the dominion and provincial governments to the end that the most effective use of the energy resources of Canada in the interests of public welfare may be assured.

These are recommendations which are contained in the Gordon commission report, but they were first brought before this house on October 22, 1951 by this party in a speech delivered by Mr. Gordon Graydon in which he set out with unusual prophetic capacity for Canada's future the need of the setting up of a national development and production board. I suggest that perhaps the name "energy board" should now be used as the Gordon commission has used that name as being more representative and typical of the needs of Canada. As Mr. Graydon said, that board should be set up and be composed of representatives of government at the federal and provincial levels, of the agricultural industry, of labour and of other branches of our national endeavour. It should achieve among other objectives a survey of the national resources of Canada in relation to their availability and the foreseeable demand as indicated by the requirements of our defence program and also the domestic demands of an expanding economy, and it should recommend upon the basis of such investigation how best this nation could meet the demands and obligations that face it in this regard.

We believe that there should be formulated a federal power policy in voluntary cooperation with such provinces as desire it in order to assure a continuing expansion of low-cost energy in Canada. Such a policy would help create, if asked for by the province of British Columbia, a huge industrial empire there and it would certainly revolutionize the maritime provinces which in the main today find themselves in a position of retarded advancement because of the lack of power development and the failure of successive governments to provide power facilities and thereby assure the decentralization of industry.

In so far as the territories are concerned, which come under the jurisdiction of this parliament, it has been estimated that there are millions of horsepower of electrical energy waiting for development and any expenditures made today in order to make possible an extension and expansion of power development in the future will pay dividends. Such expenditures would be self-liquidating and will repay dividends one hundredfold in the years ahead. It will also assure that in those parts of Canada that today find themselves unable to keep up with the general rate of development in other parts of Canada there will be an equalization which up to the present time has not been considered by this government.

On the prairies, and in particular in Saskatchewan, it would also assure developments such as the South Saskatchewan river project which becomes a matter of consideration whenever an election is in the offing but then seems to be forgotten as an unfeasible proposition thereafter. To say that a development such as the South Saskatchewan dam is not economically feasible is to forget the national policy of Sir John Macdonald which was followed throughout the years that he was in power. Alexander Mackenzie doubted that it was feasible to build the Canadian Pacific Railway. Sir John said it was feasible and indeed essential if we were to have the development that is ours today in the western provinces and which otherwise never would have taken place. The same thing was later true within the British empire and latterly within the British commonwealth.

Then finally I say that it is interesting to read the recommendations of the report in connection with taxation and the need of taxation changes that should be made to encourage industry within this country, and developments. I shall do no more than refer to the pages of the report. Pages 58 and 59 deal with the oil and gas industry. Also in so far as foreign investment is concerned, under the taxation laws existing today, United States corporations are placed in a better position and have greater opportunities to take over the oil development of this country than Canadian corporations. Certainly, Canadian corporations may not be able to ask for advantages over those corporations that come into our country and assist in its development. But Canadian corporations have a right to equality with those that come in from foreign countries

and I repeat what I have said on previous occasions—that the time has come—and, certainly the Gordon report indicates and emphasizes this—for the entire tax structure in Canada to be overhauled with a view to providing encouragement to the promotion of primary and secondary industries in our country.

Promoters, investors and those who venture in risk enterprises should have precisely the same advantage with regard to taxation as exists in the United States, for unless this is provided here in Canada, Canadian promoters and investors are placed in a secondary position, a condition of affairs that no one can possibly justify. And in making this survey of the tax structure of Canada, federal, provincial and municipal steps should be taken to assure by the necessary changes in taxation, many of which are recommended in the Gordon report, provision for the encouragement of Canadian corporations. In addition to that, the provinces and municipalities, with their own responsibilities for development, should be assured of sources of revenue whereby a more equitable share of tax yields would be made available to them, thereby permitting them to discharge their full responsibilities in the direction necessary for the proper development of this country. These are but a few of the matters that will be considered during the course of this debate.

We look back on what was said in July, 1956 with a considerable amount of appreciation when we realize that many of the things which we advocated now find themselves in the Gordon commission report. I again ask the government this: what are you going to do about it? Are you going to let the report die a natural death, or are you going to act on the evidence that has been gathered by this commission if Canada is to achieve its proper development? Is action to be taken now? If not, why not?

There is no reason why measures should not be introduced at this session in connection with taxation which will assure that the handicaps under which Canadian investors operate today will be removed and Canadians will thereby be encouraged to share in our national development to a greater degree than has been possible under the hobbling influence of taxation measures at present on the statute books. I therefore move, seconded by Mr. Green (Vancouver-Quadra):

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

"this house is of the opinion that the welfare of the Canadian people requires the adoption now of a national development policy which will develop our natural resources for the maximum benefit of all parts of Canada, encourage more processing of those resources in Canada, correct the present serious unfavourable trade balances, foster wider financial participation by Canadians in the development of our resources, and promote greater opportunity and employment for a steadily increasing population."

[Mr. Diefenbaker.]

Mr. Speaker: May I be allowed to say a word at this moment because of the broad description of "various matters" included in the amendment that has been moved as a grievance? I have made the point before, and I would like to tell the house that in my humble opinion this is not the type of grievance provided for under our rules upon a motion to go into supply.

The citation to which I would like hon. members to refer is citation 345—Beauchesne, Third Edition—to start with, especially the latter part which says:

Members may discuss various matters on the motion for the Speaker to leave the chair without any amendment being proposed; but once debate is stopped on one matter and another matter intervenes, members cannot again discuss the former.

The question is: What is "a matter" with respect to this? Let us turn to citation 468, which says:

It sometimes happens, on the motion that the Speaker leave the chair for committee of supply, that members air grievances without moving amendments. A member may speak on railway rates—

That is a matter.

—another on naturalization—

That is another matter.

—and so on. Five or six different matters may then be brought to the government's attention. But no member is allowed to speak more than once on the motion. He cannot discuss all the matters which may then come up, and when he has spoken on one of them he has exhausted his right to speak to the motion before the house, namely, "that the Speaker do now leave the chair".

If no amendment had been moved at the end of the speech made by the Leader of the Opposition (Mr. Diefenbaker), what matter would hon. members consider would have been before the house? Is it the Bermuda conference? Is it the Quebec conference suggested by the Leader of the Opposition? Is it the suggested policy about the development of natural resources? Is it the Gordon commission report? Is it American investment in Canada, or foreign investment in Canada and its implications? Would it be federal-provincial co-operation in the matter of economics? Would it be grants in aid of the development of our northern resources? Would it be power development policies? Would it be the equalization of economic opportunities across Canada, such as the South Saskatchewan river dam which, hon. members will recall, was the subject of a grievance at one point—I think it was a year or two ago? Would it be changes in taxation?

I say again that if no amendment had been moved, where could the Speaker intervene and say: "These matters have already been dealt with. You have got to speak in a relevant way to the matter that has been placed before us". Under the amendment the field is so wide that I do not think there is any matter which cannot be linked with the amendment. I will allow the Leader of the Opposition to speak.

Mr. Green: Mr. Speaker—

Mr. Speaker: I am not through. If I may continue, may I say that this matter is important to the house. There is another point I should like to stress. There are notices of motion on the order paper. I indicated to some hon. members privately last year, and now that the opportunity arises I should like to do so to the house generally, that members place notices of motion on the order paper in which they ask for certain changes in taxation, certain developments affecting economic policy and various facets of our economic activities and that they should realize what the situation is if they make on this amendment the speech they would like to make on their own notice of motion when it is considered. If we had reached the time when the days for the consideration of notices of motion had expired it would be a different proposition but we have not reached that time. Since we have not it may be that some hon. members will find themselves in a predicament when these notices of motion are called and they may have to violate the rule against repetition because they will want to speak on their own motions and others will want to follow them.

In 1954 the then leader of the opposition had moved a wide amendment of this type and I ventured to express to the house the same opinion as I do now. I said that this was a very important matter. It is an important matter because I would not want to restrict the right of hon. members to air grievances. I am merely placing the position before the house. It seems to me to be a reasonable proposition that a grievance should not be of an all-embracing nature but should concern a more definite and specific matter. At that time I said that I would not want to decide the matter myself and would put it to the house and at that moment the then leader of the opposition withdrew his amendment. That was on April 26, 1954 and the discussion on the point is to be found at pages 4110 to 4112 inclusive of *Hansard*.

Again this time I am not going to rule the amendment out of order. I am not going to do anything unless there is in the house an indication that my views have an appearance of correctness—

Some hon. Members: Hear, hear.

Mr. Speaker: —and that they are not of such a nature as to curtail the right to air grievances. I hear hon. members to my right applaud, but I should like to point out that on a motion to go into supply the right to move an amendment is an opposition right and I think that the problem here is one for which the opposition has to take a responsibility.

I think it is to their own advantage because these wide debates, especially at the beginning of a session, open up such a vista of discussion that there are bound to be repetitive statements whenever other matters come up in the form of notices of motion or otherwise. I leave the matter to hon. members themselves. It may be that the opposition prefers to do it this way. There have been other amendments of a wide character. I mentioned the one in 1954 with respect to which I expressed serious doubts and the then leader of the opposition withdrew it. But there were others of a similar character moved at a later time.

As I say, I leave the position wide open to any representations which can be made. If hon. members do not care to make any representations I will leave the matter as it stands, but if they do I may be influenced by the representations they make.

Mr. Diefenbaker: Mr. Speaker, I do not want to presume to suggest anything, but there was no objection raised to this amendment last year by Your Honour or anyone else. It is the second or third time that a similar amendment has been before the house and my recollection is that on no occasion was there any objection raised. The effective words are these:

> . . . the adoption now of a national development policy which will develop our natural resources . . .

Then the purposes are set out. Those are the effective words. As late as July 9 last a similar amendment was placed before the house and this is the same amendment.

Mr. Green: The very same words.

Mr. Diefenbaker: There was no question whatever raised then. I point that out because of the fact that Your Honour referred to the amendment as being rather comprehensive. It is all restricted to one thing, a national development policy which will have certain results.

Mr. Speaker: In 1954, when I spoke on the proposed amendment of the then leader of the opposition which he withdrew, I thought I had said all that was necessary, that if members of the opposition did not care to amend their ways with respect to these motions then it was up to them.

Mr. Diefenbaker: If Your Honour did I have not seen it, and I have looked all the way through here.

Mr. Speaker: I am talking about the session of 1953-54, but as to the motion to which he refers, and about which I did not say anything in my earlier remarks, I indicated that I had had some conversations with some hon. members and had pointed out that the amendment embraced about six notices of motion already on the order paper. As a matter of fact, during the debate on the amendment to the motion to go into supply there were discussions on power developments in the maritimes and other projects.

There is one thing more I should like to point out to the Leader of the Opposition. One cannot divorce the speech that one makes from his amendment. The Leader of the Opposition has spoken in a much wider manner than is covered by the amendment with which he concluded, but from the point of view of relevancy I have to take into account the speech he has made in allowing other members to address themselves to the amendment. As I say, I consider an amendment to the motion to go into supply as being an opposition motion and there are bound to be some difficulties later on. It is up to hon. members.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, if there is no further discussion on the point of order I should like to comment on the amendment moved by the Leader of the Opposition. First of all, may I say that I agree it will be a good thing for the Prime Minister to go to Bermuda and meet with the Prime Minister of the United Kingdom. The Prime Minister met the President of the United States and had a chat with him and I imagine he will have the same sort of chat with Mr. Macmillan.

I would have liked to pursue international affairs further because I feel that at this time some expression of opinion should be made regarding matters coming before the United Nations tomorrow and particularly with regard to Canada's attitude toward some of the questions that will arise there. But I do not think I should do that. I think I should confine myself to the amendment already moved. I quite agree with what you have said, Mr. Speaker, that there is a danger not to the government but to the members of the opposition parties in moving omnibus resolutions. I know that from time to time in the past, on the address particularly and sometimes on the budget, we ourselves have been tempted to include four or five different matters in the amendment. The result has been that when something extremely important came up with regard to one of the matters to which we had referred on the amendment on the address, we have been precluded from doing something about it later in the session. I think it is very good of you, Mr. Speaker, to remind the house, and particularly those of us on the opposition side, of the dangers of moving omnibus resolutions in connection with going into supply, or on the address or on the budget.

We are most decidedly in favour of the government's adopting a national development policy for Canada. We have always been in favour of such a policy. Indeed, it is implicit in our philosophy of how the development of the Canadian economy should be proceeded with. We have always believed that the country should have some sort of plan in accordance with which it might move, a plan that would enable the people of Canada to guide the development of their resources in the interests of the people of Canada so that the results of these great productive enterprises and the development of our great resources might be available to all our people rather than be concentrated in the returns on investments by persons who invest their money in the great private industries and corporations; that our farmers and our workers, our old age pensioners and our children should benefit to the maximum extent that it is possible to do from the development of these resources which have been placed so abundantly in this country by Providence over the ages. Hence we are in favour of a national development policy for Canada.

When we look over the history of this country since it was settled, I was going to say, or more particularly since confederation, what do we find? Until I came down here this afternoon or shortly before then, I was unaware of the fact that an amendment was going to be moved. I did not know what the amendment was or its terms when I came into the house this afternoon. However, I have in my hand a statement that was made in 1879, twelve years after confederation, by Sir Leonard Tilley. Speaking in this chamber at that time he said this:

> I am not, I think, over-sanguine when I say, that the day is not far distant when the population in the western country will be greater than in Canada—

By that of course he meant in Upper and Lower Canada, now Ontario and Quebec.

> —and when the maritime provinces, with their coal, iron and water power, will be the manufacturing centres for this vast dominion.

But what actually happened was that when the Canadian Pacific Railway was built and the vast areas of the west were opened up

for settlement, the prophecy of Sir Leonard Tilley was brought to naught because the economic balance within the country was more or less upset by the developments in western Canada. Instead of having a planned development of our country which preserved the industries which had already been established in the maritime provinces, for example, and which for some time reaped the benefits of the expansion to the west when the great steel mills of Nova Scotia provided the rails upon which the trains and the commerce across Canada ran, we find that industry shifted to central Canada; and ever since that time there has been an imbalance in the Canadian economy. More and more over these late years, particularly during the late war years, we find the concentration of industry speeding up in central Canada.

May I just in passing say that because we have no direction of the development of this country, no attempt to tell the industries that it would be wiser if they established themselves somewhere else, we have a concentration of industry in this country which causes us to stop and think when we look at it from the point of view of possibilities. I did not say probabilities, Mr. Speaker; I said possibilities, and I hope that the possibilities are improbabilities. In the event of a modern war, with the great industries of Canada concentrated in the Niagara peninsula and around the cities of Hamilton and Toronto and for a little way along the lakeshore, those industries would be found to be in a position so vulnerable that Canada could be put out of business economically almost as easily as the great centres of industry in the United Kingdom could be put out of business under the same circumstances. I am thinking also of Sarnia, our canal, and so on. Hence we are in favour of a national development policy, but we would go a step further than my hon. friend went.

We believe that that development policy should be planned and that some direction should be exercised by the governments of Canada and of the provinces in order to make sure that in the development there is no imbalance such as that which we find in our country at the present time or that the imbalance that now exists should be corrected to an extent. One welcomes, of course, the industrial expansion that is going on in western Canada on account of the new discoveries there of gas, oil, uranium, nickel in Manitoba and other resources of that description. But again, all that has been done not under any national plan or with any conception of the development of Canada as a national economy. It has simply been done because people are finding it more profitable to go there.

That brings me to this point in connection with national development. If we are going to have national development along the lines that my hon. friend suggests, so that Canadians may participate in that development, we should have a direction of investment in development. What we should have above all things, it seems to me, is a national investment board directing investment into socially desirable operations. Of course, Mr. Speaker, we make no bones about the fact that we believe that the development of some of our great resources and of our utilities, should be undertaken as public projects. We made that position abundantly clear in connection with the pipe line which is to be built across Canada. We failed in our attempts to persuade the government—and I suppose we failed in our attempts to persuade the people of Canada—that the proper way in which to undertake a project of that description was through a great public utility like the Ontario Hydro Electric Commission or a number of other similar utilities across Canada. Indeed my hon. friend this afternoon suggested that certain great electric projects in the provinces might be undertaken with the co-operation of the federal authority or in other words as public projects partly financed as federal and provincial undertakings. I agree that that would be a step in the right direction. I want to say further that I should like to see our industries more completely under the control of Canadian public authorities. Other great utilities and projects that are not brought under public control I would like to see under the control of responsible citizens of Canada.

In connection with the great project, the Trans-Canada pipe line, I hope that Canadians, now it has been decided this is going to be a private enterprise project, will see to it that there is sufficient Canadian capital invested in it to bring it under Canadian control so we shall have some authority over those who are going to control it.

So then, Mr. Speaker, we are in favour of this amendment. There are so many projects that would come within a national development plan that one can only begin to enumerate them. We have great drainage problems in the maritime provinces which would restore to the people of the maritimes land that could be tilled or upon which cattle could be raised. We have the great tides in the bay of Fundy which are going to be investigated and which might be of great use to the people of the maritime region provided the federal government undertook a large measure of responsibility for financing power projects which could not be undertaken by the maritimes themselves.

None of us like to think that the development of our country by regions is uneven, but under the present hit-or-miss private enterprise system we find that there are regions of Canada that are depressed, and the most depressed of the regions is the maritime region. As I said, I did not have time to look up data, but I happen to have in my desk some figures on the relative positions of the various parts of Canada which I used elsewhere a short time ago. For example, the average per capita personal income by provinces clearly indicates that in 1954, the last year for which I have figures, Ontario and Quebec led all Canada and the maritime regions certainly brought up the rear. From a high income of $1,470 per capita in the province of Ontario we go right down to $640 in Newfoundland, with New Brunswick, Nova Scotia and Prince Edward Island only slightly better than the per capita income for Newfoundland. Now, that is not good enough.

If we had a proper development policy, we could see to it that the benefits of development were spread more evenly over the several regions. Even within provinces there are grave discrepancies of personal income. Many people in Canada are not enjoying the benefits they should be enjoying. We have often spoken in this house of our old age pensioners. In 1949 the old age pension was increased to $40, and if we take the value of what a dollar would purchase then that is equivalent to only $32 in 1957 purchasing power. Today, it takes $40 to buy what $32 would buy in 1949. The same thing applies, of course, to family allowances; they have been more than cut in half since they were introduced. One could mention also veterans pensions and the P.F.R.A. payments to our farmers in western Canada which have been cut by more than half. The people who have suffered the most, and I noticed the Minister of Finance (Mr. Harris) recognized this in an address he gave on Saturday night, are the people on fixed incomes, the people who in the last 10, 20 or 30 years have purchased life insurance, Canadian bonds or Canadian stocks in order to build up some security for their old age. There has never been in the history of Canada more confiscation of individual savings than under the present government because they have allowed this to happen. If we are going to have a national development plan then we have to see to it that this plan takes into consideration the needs of the regions and, within the regions, the needs of individuals. In this way we would not have poor provinces and rich provinces; we would not have poor people and multi-millionaires from whom, when a couple of them die, we can collect a hundred million dollars in death duties.

Mr. Low: And then spend it on canned culture.

Mr. Coldwell: Never mind what it is being spent for, I am not dealing with that. That is a matter for a separate debate. I am pointing out we can collect that amount from a few people across Canada.

I have mentioned the maritimes, and the South Saskatchewan river project was mentioned. You know, I cannot understand the Gordon report in this respect. This report says it is necessary to change from a wheat economy into a mixed farming economy, and then goes on to advise the government that it should not consider large irrigation projects. This, of course, must refer to a large irrigation project, the South Saskatchewan river project. If you are going to encourage farmers to grow less wheat, then they have to grow something else. So long as those 400,000 acres remain unirrigated they are going to be a wheat proposition. They will raise semi-arid plants of which wheat is our best example. If you carry out the project, then you can grow legumes or perchance you can grow sugar beets and vegetables, establish canneries and so on and reduce wheat products. I am not going into the Gordon report, but I have read it, and I must say I am not going to endorse it by any means because I find a number of similar illogical positions taken in that report. All I can think is that Mr. Gordon was pressed to bring in some sort of a report and he sat down some evenings and dictated it to his stenographer as quickly as he could. This appears to be the case when I read parts of that report.

Then we have such projects that should be undertaken on a national scale. I am firmly of the opinion that we need a national development policy. I do not know what the resources of the north are. I am quite sure if the hon. member for Vancouver-Quadra were in his seat this afternoon he would recall that both he and I and the former minister of national defence, Mr. Claxton, were surprised when we were attending a meeting of the foreign policy association in New York in about 1941, I think, to hear Mr. Stefansson, the Artic explorer, say that the largest reserve of oil in the world was in northern Alberta and the Northwest Territories. Afterwards I asked him if he knew of any geologist who would support that statement, and he named the vice president of Standard Oil of New Jersey. I asked him where I could obtain a copy of what that gentleman said, and he told me from the University of Missouri. I got a copy of

the lecture he gave in which that statement was made, and I recall that I read a portion of it in this house. But I do not think it struck any of us at that time that there were those tremendous potential resources in that area. Now, if we made proper inquiry and if we had some idea of the national development plan, this sort of estimate of what we have to develop and what we have to plan could be undertaken and made, and we would know better how to proceed.

I agree, Mr. Speaker, that in northern Canada there are probably resources of which we have no knowledge which will bring to the people of Canada in the years to come a great deal of wealth, many opportunities and a better life.

With respect to the resources that we have, not only do we need development but we need conservation. Those of us who have lived in western Canada over the last half century—and it is going on to 48 years since I first went there—will remember how we thought the soil could not be depleted and that it was inexhaustible. The years of the 1930's came along and we learned a lesson. Today if you go on the prairies you will find the farmers there are practising conservation, so that if the dry years do come again and the winds blow there will never be the erosion there was in the 1930's. Our farmers are doing their share today in conserving the soil of the western plains.

Then as one goes through our forests and sees the depletion—yes, in some areas I know the forest reclothes itself and will give a yield of trees over the years—he comes to the conclusion that in some areas of this country if we want a perpetual forest cut there will have to be planning, there will have to be a conscious planning and authority. Yes, I agree it should be provincial but with federal encouragement, to see to it that the trees that are cut down are the trees that are ripe, to see that the trees which are taken out are the trees that are no longer needed there. The smaller trees should be encouraged to grow, or areas of land now treeless, which were once treed, replanted.

Last autumn I had the opportunity of driving through the Black Forest in Germany and seeing some of the lumbering that was going on there. Of course I was told what I knew already, namely that the Black Forest had been lumbered for centuries and would continue to be lumbered for centuries to come, because there is a plan. The government lays down the method by which the forest shall be cut and manner in which it shall be conserved.

I was in Norway and I saw the same thing there. No Norwegian can take down a tree without a permit. Are the people happy about it? They do not see it as regimentation. No; they look upon it as conscious planning for the welfare of the people in the days to come. If we are to have a national development authority or plan, then we must have certain measures of control in relation to such a plan.

I know that jibes are sometimes thrown at us that we like controls. I do not like controls. I do not advocate them for the sake of instituting controls; but in certain circumstances we need public controls in order to protect our people and our resources from exploitation, or our forests from being denuded, and to keep them for future generations. I am happy to say that in some of our provinces controls are being exercised. For example, oil control is being exercised by the provincial governments; gas control is being exercised by the provincial governments so it cannot be all used up at once, or in only a few years, leaving future generations without the resources that are necessary for the public weal. The same thing applies to mining, and so on. Therefore we are all in favour of national development.

One could point out the many fields in which that development could take place and how it could be done by planning. I am not going to do that this afternoon but, of course, you cannot have development without finances. If you are to finance it properly, then you must somehow or other direct investment into socially desirable projects. As I said at the beginning, and if I were moving the amendment, I would say precisely that the government should establish a national investment authority to direct investments into desirable economic and social projects within our own country.

May I say to members of the government that if they were true to their platforms of the past they would vote for that, because my recollection is that for some years they had a national investment board as one of the benefits they were offering to the people of Canada if the Liberal government were returned to power; but we have not heard anything about it in recent times.

Well, now, several of my colleagues will develop various aspects of this problem and I am not going to intrude on what I expect they are going to talk about. All I want to do is place my party on record as being in favour of this:

> . . . the Canadian people requires the adoption of a national development policy which will develop our natural resources for the maximum benefit of all parts of Canada.

Of course I would want something else in there to make it entirely satisfactory, such as "for all the people of Canada as individuals as well as groups of people in

Canada". To that extent we favour this amendment and, of course, shall vote for it when the time comes. But again let me reiterate, if we are to have national development in the interests of all parts of Canada and of all the people of Canada, it has to be planned; it has to be directed consciously in the interests of the people of Canada, and great projects of fundamental importance to the people of Canada will have to be under public control and some under public ownership at the same time. Having said that, I am going to resume my seat.

Mr. Solon E. Low (Peace River): Mr. Speaker, the amendment which has been moved by the official Leader of the Opposition is so broad that if we were to take it in its entirety I think it would result in making it impossible for any hon. member to bring up and discuss any other grievance he might have in mind. It is really all-inclusive at it stands.

Mr. Knowles: The whole welfare of Canada.

Mr. Low: Yes; and for that reason I would indicate the part which we would like to discuss, at any rate, and it would be the same as that discussed by the leader of the C.C.F. party. I refer to that part of the amendment which reads:

> . . . the Canadian people requires the adoption now of a national development policy which will develop our natural resources for the maximum benefit of all parts of Canada.

If the Leader of the Opposition would consent to have us concentrate attention on that portion of it, and when the vote comes have it understood that we are voting for that part, I feel that we would have better order in our talk and there would be a much better expression of opinion when we got through.

I am always glad to have these amendments brought in, Mr. Speaker, because they have the effect of concentrating the attention of hon. members on things that are very worth while, and particularly they give us a chance to express ourselves on how we feel with regard to the effect of government policy upon the development of resources.

I want to look at this whole resolution from the point of view of federal government policy, which does have a tremendous effect upon our resources, whether they are developed properly and in the interests of the people or just the reverse. It is because I feel this way that I intend in the time at my disposal this afternoon to deal with six important points of view which we have with respect to national policy. If we are going to have a policy of national development, then in my judgment it would have to consist of these six things at least. I am not thinking for one moment that my list will be all-inclusive, but at any rate these are the six items we put forward as a minimum which would have to be included. They are being suggested in the hope that the government will give careful consideration to the development of such a policy, because my judgment tells me that without this type of co-ordination, without this type of national consideration, we can never hope to get the maximum development of our resources and therefore we will always fall somewhat short of our aim to give full employment to our people and a full enjoyment of the products of their labours.

It seems to me that what is needed more than anything else at the present time is more co-ordination of federal government policies in order that one policy will not run counter to another. For example, I am thinking of the government's over-all blanket credit restriction policy. These credit restrictions have had a very detrimental effect upon the development of resources in Canada. When the government imposes over-all blanket credit restrictions without considering the whole field of fiscal and monetary matters, which would include the taxation policy, the investment policy, government spending, construction policy; unless they give careful consideration to the co-ordination of all these things in the best interests of the Canadian people, then one is going to run foul of the others and we will have a nullification of our efforts. That is what we are experiencing today.

We in this group have suggested consistently that the government set up a national financial and economic commission which will have as its purpose the co-ordination of government fiscal, monetary, investment, public works and budgeting policies which will be in the interests of the Canadian people. When you have that sort of commission guiding and advising the government you are going to have a co-ordinated effort, you are going to have well-adjusted efforts toward a maximum of development, without having such things as this blanket restriction policy which is causing such a retardation in the development of our resources.

There is a second important thing you must have, it seems to me, if we are going to experience a worth-while development of our national resources. I think the government of this country has to give consideration to a fairer and more just division of the revenue dollar among the federal, provincial and municipal governments. Most of the development of resources takes place within the provinces under the guidance of provincial governments, because under the constitution property and civil rights are given

exclusively into the care of the provincial governments. But the provinces do depend to a certain degree upon their creatures the municipalities to bring along certain development projects. They depend upon them to a very large degree, but if the municipal and provincial governments are forced to come to the federal government periodically with their caps in their hands to ask for hand-outs, there is not going to be very much development.

I am thinking now in terms of large power projects and railway developments which are essential to the opening up of vast new areas, and which will in the end encourage and stimulate the development of mining and other resources. I am thinking in terms of irrigation and drainage projects and all that sort of thing, which have for their aim the fullest possible measure of economic development of our country in the interests of providing a better standard of living and increasing the strength and security of our people.

As I said, if the provincial and municipal governments have to come to the federal government with their hats in hand asking for hand-outs, then they are not going to get very far. This government has shown time and time again that when such things happen they simply have no idea of the importance of the things the provincial governments are promoting. They do not seem to have any vision with regard to the future of these things which the provincial and municipal governments are doing. As a consequence they get into their hands the control of an unjust share of the revenue dollar available in this country, which they dole out to suit their own whims. As a consequence there is a slowing down of development, there is unfair development, development is retarded in one section and accelerated in another, as has already been said. If you are going to have anything like uniformity in development you must decide on a fairer and more just division of the revenue dollar among the different levels of government. When you do that sort of thing the provincial and municipal governments will go ahead and do the job without having to wait for handouts from the government of Canada.

It seems to me there is a third important thing which ought to enter into our plans for the future economic development of this country. I think we have to make an early start on a revision of our taxation structure so as to make it possible for three important things to happen. In the first place we must make it possible for domestic industry to compete successfully with foreign industry. Thus far our taxation structure has favoured alien industry to the detriment of Canadian industry. How in the world can we ever become great, strong and secure under a system like that?

The second thing a revision of the taxation structure ought to achieve is to provide an opportunity for the average Canadian to build up savings so Canada can finance a greater share of her economic expansion and development out of Canadian funds. During the past year or two especially there has been a great deal said about the abnormal amount of money coming in from other countries for the development of Canadian resources and industry. I suppose under the circumstances and in the light of the great trade deficit we have with the United States each year it has been a godsend to have that investment coming in from the United States. No one can criticize the amount that comes in when you realize that we have a trade deficit of $1.2 billion or $1.3 billion each year with our neighbour to the south.

It seems to me that what we ought to be doing is getting at the root of our trouble. The people of this country have not been allowed thus far to build up a very substantial volume of savings out of which sufficient investment could take place to bring along our resources as they ought to be brought along.

We have to rely therefore on investment from other countries if we are going to get the development, and I say that at the earliest possible date we should examine this whole taxation structure to see what effects it has been having on individual savings and, therefore, on investments; and if we do that we shall at least make some progress. We in this group are putting forward the view that we would make the revision I have suggested, and see to it that there is opportunity for savings to be held by the Canadian public and gathered together in the aggregate to be invested in some acceptable form, as would be the case if the Canadian people did have that great aggregate of savings.

The third important thing which we feel should be achieved through the revision of the taxation structure is this. Canadian goods today are suffering a handicap in foreign markets because of the inordinate weight they carry by way of commodity taxation. The prices of many Canadian goods are forced up to the point where we cannot compete successfully with goods coming into Canada from foreign markets, or with foreign products in the markets of the world. We are bound to take this into consideration and correct it if we ever expect Canadian goods to compete successfully.

Thus our taxation review program would need to keep these three aims and objectives

in mind, and I believe that if proper attention were given to these three considerations we could put Canadian producers in a far better position in this competitive world of trade than they are at the present time. Before I leave this question, Mr. Speaker, there is one other thing I would like to say. What is the use of building up our Canadian industries and developing our Canadian resources if it is going to be impossible for us to compete in world markets with the products that come from the development of these resources? It would be foolish in the extreme to think we can do anything successfully in this world of trade, even with all the materials we might have in storage, unless we make it possible for our producers to sell their goods in competition with other nations.

The fourth important matter which we must include in our national development policy, if we are going to adopt one, is this. We think it is essential, and in the interests of our country as a whole, to set up a national statistical and advisory bureau to chart, measure and record all Canadian resources including those having to do with the production of energy; and to study and advise continually—and I mean, here, to advise the provincial and municipal governments, together with those concerned with this country's production and the development of our resources—as to the most effective ways in which to preserve, utilize and, where possible, improve those resources for the benefit of all Canadians.

That is quite a comprehensive idea, Mr. Speaker, but until such time as we adopt a proposal of this kind, our progress is going to be haphazard; it is not going to be uniformly in the interests of the various provinces, and a great many things will be overlooked.

We do feel that at the present time, when our sources of energy are coming into great prominence and into great need, the bureau which I have suggested could be of special benefit to Canadians. I know that certain things are being done in the Department of Northern Affairs and National Resources and also in the Department of Mines and Technical Surveys. We know that is so, but what is being done now is only a fraction of what might be done.

Mention has been made here today of a certain great waterpower project which many people have envisaged. I think it was the Moran dam. My hon. friend from New Westminster mentioned it. I do not know how far the government has gone in its consideration of that project, but its implications are immense; it staggers the imagination when we read the figures given by reliable engineers concerning it. I am told that one of the important things holding up this scheme at the present time is the consideration of the damage it may do to the salmon fishing industry. I am told that here we have the matter of a two or three million dollar industry that is impeding and holding back a tremendous energy-producing project which would in the aggregate produce each year as much as ten or eleven times what the fisheries will produce.

I am not suggesting for one moment that we should go ahead and override the judgment of those who are interested in the fisheries. I am suggesting, however, that if we had a bureau of the type I have proposed —a national statistical and advisory bureau —they could be working continuously, on all the phases of this great project at one and the same time, and through their advice and studies they might be able to come up quickly with a solution to this fishery problem which would make it possible to go ahead and develop the Moran dam project without interfering too much with the salmon fishing. That is the kind of thing which, it seems to me, it would be very well worth while to study, and it is the kind of thing this bureau should have constantly under consideration.

There is one other matter on which I should like to say a word at this time. We have in Alberta, as has already been stated, vast areas of bituminous sand. The government of Alberta and the research council of that province have spent a great deal of time and money experimenting with the extraction of the bitumen from the sand, and they have succeeded in developing methods of doing so. However, up to the present date, perhaps, no method has been successful to a degree that would make it possible to sell the oil in competition with oil coming from oil wells.

I know the Department of Mines and Technical Surveys has also done considerable work on this project, but it seems to me that all groups in Canada should be giving as much consideration as possible to the achievement of a method of extracting the oil from this sand so we can put Canada into the self-sufficient class as far as production of oil is concerned. It can be done. Not only that, but judging by the figures which are available it would be possible for us to supply completely the needs of Britain, France and other countries in western Europe, in addition to our own, out of the sands in northern Alberta for a good many years ahead. That sort of thing, it seems to me, could very well be brought

under the co-ordination of such a body as the national statistical advisory bureau which I have suggested.

The fifth important thing, it seems to me, if we are going to achieve the maximum successful development of our resources in this country, is this. I think the one real shortage we have in Canada today is in the field of trained personnel. Manpower, generally, is not scarce, and as evidence of that there is quite considerable unemployment in Canada today. But in the field of trained personnel we are lagging behind.

Mr. Macdonnell: Would the hon. member permit a question? I am interested in what he has just said about a considerable amount of unemployment. That is not my information, and I wonder if the hon. member could break that down a little?

Mr. Low: Yes, I can. At the present time the lumber industry in British Columbia is in a slump and there is quite a sizeable unemployment problem. The hon. member for New Westminster reports that there are 10,000 lumber workers unemployed in the city of New Westminster alone, the largest number in the history of the city. I just received today from Windsor, Ontario, a letter from one of the unions in the automobile industry complaining that they have not had so much unemployment for quite a long time as they find in that area now. So it goes in quite a number of areas across Canada. There is a considerable amount of unemployment in the general labour field.

But certainly no one can make that statement successfully in the field of technically trained personnel. What we do need there is a stepped-up, accelerated program of training of technical personnel. To this end we must be prepared to increase our bursaries, scholarships and so on in order to induce young people to go on and take training to the extent that we will have a bank of personnel sufficient to take care of the needs of the future. We believe that should be included in any national program that has for its aim the maximum development of our resources.

Finally, we will have to give a whole lot more attention to transportation and communications. I have been keenly interested in the development of our northern area, because I have had enough information on which to build a faith that this great northern area is extremely rich in resources that in time will contribute to the strength and security of this great country and the higher living standards of the Canadian people. But it is no use just leaving them there undeveloped. We must take positive steps now to see to it that wherever minerals are found, wherever any great resource exists in that north country, we stimulate development, and it seems to me that one of the methods of stimulating is to provide adequate transportation so that people will be induced to go in and develop these resources with some decent chance of being able to market their products at a reasonable price. To do that they have to have transportation.

I have in mind, for instance, the very large fields just south of Great Slave lake in the Northwest Territories, not very far from the northern boundary of Alberta, where in recent years prospectors have discovered vast areas of base metals. It is estimated by the best technical brains we have in our country that there are no less than 60 million tons of high grade ore that can be mined in that area by open cut methods, which means that you do not have to go to the great cost of sending down deep shafts. You simply remove the overburden with drag-line steam-shovels, blast the stuff up and move it to the smelters and refineries. If that base metal field is to be developed properly transportation facilities must be provided.

It would require approximately 300 miles of railway construction to put a rail line in there from Grimshaw, Alberta. If a rail line were built I do not think there is any question but that the development of the field would go ahead; and not only that, it would stimulate further exploration and development in the area where there is every evidence that minerals of all kinds away beyond present imagination would be found. That sort of thing has to be; but if you are going to get the development you have to provide the transportation first and not have transportation follow development. Somehow or other the railways seem to have got into the state of mind where they feel that development has to come first and be carried to the point where the railways will be guaranteed the full return of their costs right from the day they start running into the area. Where is their pioneering instinct?

It seems to me that the federal government through its various branches could give a great stimulus to the development of these resources in the far-flung areas of Canada by helping a little more in the development of transportation. When the province of British Columbia wanted to extend the Pacific Great Eastern Railway into the Peace river block and link it up with the Northern Alberta Railways in that great block they had to come to the government of Canada to see if they could get some help. Here was an example of having to come to the senior government cap in hand.

The government of Canada, to be fair and honest, did give them some consideration. They gave them a subsidy of so much per mile for a limited number of miles, but it was not anything like what was necessary to complete the development or to make it possible for the government of British Columbia to build a railway sufficiently far into the north to tap all the resources that are available there. Therefore the government of British Columbia has had to go and borrow money. Things like that, Mr. Speaker, where a provincial government has to come to the federal government for aid and then only gets a fraction of what is required to do the job, cannot possibly contribute very much to the kind of thing we envisage here, the optimum development of our resources in the interests of the people.

Therefore I think we should adopt a national policy with these six important features; perhaps others, but these six anyway. To recapitulate, they are a national finance and economic commission to coordinate government fiscal, monetary, investment, public works and budgetary policies in the interests of all our people; a fair and more just division of the revenue dollar among the federal, provincial and municipal governments; the revision of our taxation structure; the establishment of a national statistical and advisory bureau that would chart, measure and record all Canadian resources, including those having to do with the production of energy; the training of adequate personnel so we would have sufficient to call upon in our developmental efforts, and better transportation facilities, especially into those areas that are somewhat isolated from the centres of population.

I believe, as I say, that if we were to adopt a policy involving at least these six important features we would then have a national policy that would be successful in doing the job envisioned by the Leader of the Opposition. Before I sit down I want to say that we support that part of the amendment which, as I indicated earlier, has to do with resources development.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, in advancing this amendment today the members of the Conservative party are doing so because we believe very sincerely that it sets out what should be the long-term policy for the development of Canadian resources. On this issue there is a basic difference between the thinking of the government and our thinking, and first of all I propose to read the amendment. It advocates:

[Mr. Low.]

> . . . that the welfare of the Canadian people requires the adoption now of a national development policy which will develop our natural resources for the maximum benefit of all parts of Canada, encourage more processing of those resources in Canada, correct the present serious unfavourable trade balances, foster wider financial participation by Canadians in the development of our resources, and promote greater opportunity and employment for a steadily increasing population.

Let us now look at the policy of the Liberal party in this regard. Government policy since the war has been in the first place to concentrate on trying to promote trade with the United States. Right through that picture this government has tried to put all Canada's trading eggs in the one basket. In the second place, its policy has been essentially to export raw materials, or materials which have been semi-processed, and to import manufactured goods.

I suggest to you, Mr. Speaker, that that continues to be the policy of the Liberal party today. I have good authority for my statement, namely the Minister of Trade and Commerce. On December 3 of 1956 he spoke to the Women's Canadian Club in Montreal reporting on his trip to Japan. In the course of that speech he had this to say:

> But, as you know, Canada finds it economical to produce large surpluses of raw materials and foodstuffs with which to pay for the large quantities of imported produce and manufactured goods.

Then he also had this to say. He was telling these ladies what he had advised the Japanese. He said:

> I pointed out to them that Canada is the largest import market in the world for manufactured goods . . .

Mr. Speaker, the Conservatives have not the slightest ambition to make Canada the largest import market in the world for manufactured goods. We believe that Canada should be manufacturing far more of her own goods than she is manufacturing today. But here you have the responsible minister boasting of the fact that Canada is the largest import market in the world for manufactured goods.

Mr. Byrne: After all, he is the minister of trade.

Mr. Green: Perhaps my good friend the hon. member for Kootenay East will pay attention to what the Canadian Labour Congress have to say if he will not listen to me. No wonder that in their brief presented to the government of Canada on January 23 of this year they had this to say:

> . . . we question whether it is necessary and desirable for Canada to have to import $3,600 million worth of fully or chiefly manufactured goods as we did in 1955. We ask the government to give careful and active consideration to this question. We think that encouragement should be given to the development of secondary industry in Canada.

Why should they not think that? It means jobs if secondary industry is developed in Canada. The result of Liberal policies since the second war is now becoming clear. The government has been leading Canada steadily into greater dependence on the United States in the economic field, just as the government has been leading Canada into dependence on the United States in the field of external affairs.

Mr. Speaker, may I suggest this afternoon that now is the time when it is vital for Canadians to face this question of the use of their resources. I say that for several reasons. One is that since the war there has been a great increase in new discoveries of resources in Canada. By the way, I may say that those discoveries were made without the government being able to claim any great credit for them. I refer, for example, to oil, natural gas, iron ore, uranium, titanium and many others. The last ten years has been the greatest period in Canada's history for the discovery of new resources. It is therefore far more important now than it ever was previously—and goodness knows it was always extremely important in Canada—for us to decide how these resources are to be used.

Again, the United States in the same years suddenly discovered that she is running short of raw materials. That situation is caused partially by the great use made of United States natural resources during the recent war and subsequently. In any event, the United States is becoming a nation which will be short of most of the vital materials. That means there will be—and there is every day—an increasing demand by the United States for Canadian raw materials. In that regard it is worthy of note that while they need our raw materials all the more and want them all the more, they are being extremely careful not to change their fundamental policy, which is this. While they will allow raw materials from other countries into the United States so they can turn them into manufactured goods, they are extremely careful not to allow manufactured goods in from other countries such as Canada, for fear that those manufactured goods will compete with the goods produced in the United States. They are still sticking tightly to that policy which was one that built them into the great nation they are today.

Mr. Prudham: Will the hon. gentleman permit a question?

Mr. Green: Yes.

Mr. Prudham: Is the hon. gentleman aware of the fact that the Steel Company of Canada is dependent for its ore supplies entirely on the United States?

Mr. Green: I am aware of the fact that the Steel Company of Canada gets quite a large portion of its iron ore from the United States. I believe it is now getting more from Canada.

Mr. Prudham: Not yet.

Mr. Green: However, that does not alter the broad picture which I have been painting and with which I think the Minister of Mines and Technical Surveys will agree. If this government carries on as it has been doing; if it does not adopt a new policy with regard to natural resources, the United States is in a fair way to get the main benefit from Canada's raw materials.

This question has been highlighted by the Gordon report on Canada's economic prospects. That is an extremely important report. I remember how proud the ministers were when the setting up of this commission was announced. It was to decide what we were to do for the next 25 years. There had never been a commission like it. It was a commission to end all commissions. They were going to go to the people with the report that came from this Gordon commission, and they were going to sweep the country from coast to coast.

An hon. Member: We will.

Mr. Green: What a difference there is today. If you mention the Gordon report the chin of every one across the floor falls about an inch. The government is resentful of the report. The Minister of Trade and Commerce used a club on it last week, and the other ministers avoid it like the plague. You would think it was full of political typhus germs from the way the ministers steer clear of it. Mr. Speaker, it is a very sad thing to happen to a million dollar report. I feel extremely sorry for Mr. Gordon for the way the recommendations made by him and his fellow commissioners have been treated by the members of the cabinet. But there the report is, and it merits study by all Canadians, even though the government tries to shove it under the rug.

We believe that a national development policy must, in the first place, bring to Canadians the maximum return from their own resources. I am going to give several examples. First of all there is natural gas. We have heard at lot about natural gas in this chamber in the last eight years. Most hon. members will recall that this question first came to the fore over the piping of natural gas to the west coast. There were several groups of promoters who wanted to take gas from southern Alberta, pipe it over the boundary into southeastern British Columbia and then into the United States at

the first possible practicable point, through the state of Washington to serve Spokane, Seattle, Tacoma and Portland, and then have a little stub line up to Vancouver. We would get Canadian gas after the people of the United States had had all they wanted, if there was any left.

There was another proposal that gas should be piped from the Peace river district of British Columbia down through the centre of our province to serve practically every community on the mainland. You remember, Mr. Speaker, what a row there was in the house. The Liberal members with the exception of George Cruickshank, who was then member for Fraser Valley, Jack Gibson, the member for Comox-Alberni and one or two others, were all for this plan of getting gas from southern Alberta down into the United States. My good friend the hon. member for Kootenay East was one of the main advocates of such a course. I do not blame him, because he represents that part of British Columbia. The Prime Minister flew into a rage on two or three occasions, and the Minister of Trade and Commerce got very excited. They were obviously in favour of getting these charters through which would enable the promoters to pipe gas from southern Alberta down into the United States. The Conservatives and our C.C.F. friends, on the other hand, stood firm from the start for a Canada-first policy. As a result of that stand—

Mr. Pickersgill: You nearly lost the pipeline.

Mr. Byrne: Does the hon. member know that because of the decision to pipe gas down from central British Columbia it is going to cost the people of the southern mainland about one-third more than it would have by the route proposed by the other people?

Mr. Green: If my friend's policy had been followed they would not be getting any gas, because it would have gone to Portland and Seattle.

Mr. Byrne: Would the hon. member permit another question?

Mr. Green: As a result of the stand taken at that time the pipe line is being laid now from the Peace river right down through the province of British Columbia, with great benefit to all that part of Canada.

Then there was the case of gas to eastern Canada. Who was it advocated a Canada-first policy in bringing gas to eastern Canada? It was not anybody on the Liberal side of the house.

Some hon. Members: Of course it was.

Mr. Green: No; again it was the Conservative and C.C.F. members who advocated that policy. The Liberals were late converts, Mr. Speaker. I have here the report of a speech by Hon. George Drew dated March 10, 1953, in which he is reported as saying:

"Let the government declare that the first interest to be served will be the interests of the Canadian people—a Canada-first policy in the use of these resources."

This was after we had advocated that course many times before that date. Finally, three days later the Minister of Trade and Commerce made an announcement that he, too, was in favour of a Canada-first policy. But even after he had changed his mind there was great worry about what he would do. In 1955, two years later, the mayors and reeves from the lakehead and from northern Ontario were worried to death for fear he was going to change the policy again and have gas go down into the United States instead of through their area. They wired for an appointment and they were turned down. They were told the minister represented the lakehead and he did not need any help from the mayors in that part of the country. Then apparently the Prime Minister intervened, and we have this dispatch dated July 19, 1955, saying they can come along and meet the Prime Minister and the Minister of Trade and Commerce. Then the dispatch continues:

Agreement by Mr. Howe to the meeting was a sharp about-face.

However, now he is apparently a convert to the Canada-first policy for natural gas to eastern Canada. We are very glad that he has seen the light on this particular question. Mind you, Mr. Speaker, we are still watching to see to what extent the Tennessee Gas Transmission Company is going to control this Trans-Canada pipe line to eastern Canada. We are glad some steps have been taken to give Canadians a chance to buy into the company. Those steps never would have been taken if it had not been for the protests made in this house by the opposition.

Some hon. Members: Oh, oh.

Mr. Green: I do suggest the Canadian people would be well advised to keep their eye on Trans-Canada pipe lines to see what the Tennessee Gas Company does.

Mr. Marler: I notice the hon. gentleman cannot help laughing when he says what he has just said.

Mr. Nowlan: It is the discomfiture on the other side of the house that makes him laugh.

Mr. Green: I notice I am getting a lot of interruptions from the other side of the house, and I have not said anything I do not sincerely mean.

Then we come to iron ore. We have huge deposits in the Quebec-Labrador area which have been opened within the last few years. I believe over 12 million tons were shipped away from Sept Iles during 1956, of which about 10 million tons went to the United States in the raw form. It was just dug out by steam shovels, put on freight cars and then dumped into the ships. It was not fabricated at all. We realize that there must be a lot of iron ore shipped out that way, but why do the government not make some attempt to have that iron ore at least partially fabricated in this country? They have not taken one step in that direction.

The former director of scientific services in the Department of Mines and Technical Surveys had something to say about that. I refer to Dr. G. S. Hume. Back in March of 1953, in the course of a speech, he had this to say:

> It is suggested as not beyond the possibilities of our research scientists to find ways and means in Canada to utilize electric power and iron ore occurring together in the same area to at least effect a partial processing which would be of immense benefit to this country. The Ontario research foundation has been doing excellent work on the study of iron and our mines branch at Ottawa has a number of scientists well versed in the technology of treatment of all kinds of ores. Thus well directed efforts might accomplish much toward reducing our iron ore to the metal before shipment outside Canada . . .

Another example is found in British Columbia. Some of us have been pointing out to the Minister of Trade and Commerce for several years that iron ore is not found there in large quantities, as yet in any event, yet there have been shipments of several million tons in the raw state to Japan. This policy makes it that much more difficult to establish a steel industry on the west coast. The minister has replied that he could not do anything about that.

If the government had wished to do so it could have taken steps to control the export of that iron ore. Now it looks as though, with the help of the Japanese, something is going to be done. The Japanese are saying, why don't you turn that ore into pig iron? Japan wants pig iron now instead of the iron ore, but there has been no move by this government to further the processing of that ore in Canada. Zinc and lead in New Brunswick are another example. There we have large deposits of tremendous importance to that province, yet it looks as though all that ore will be merely dug up and then shipped away to the United States to be smelted.

Mr. Winters: Not as ore.

Mr. Green: It certainly will not be smelted in New Brunswick unless this government wakes up and does something to assist the province of New Brunswick in getting the necessary power. If the government would enter into a joint investment program with New Brunswick for the development of power on the Saint John river, I believe it would be possible to establish a smelter in that province to smelt those ores.

I really do not see, Mr. Speaker, how anyone can quarrel with a policy which insists that every effort must be made to manufacture our own raw materials in Canada. The Canadian Chamber of Commerce dealt with that in their policy declarations for 1956-57. Let me read:

> The Canadian Chamber of Commerce believes that such policies must recognize
>
> (1) The primary interest of Canadians in the development of Canadian natural resources.
>
> (2) That the greater extent to which these resources are refined or converted within the country, the greater the return to the Canadian economy.

The Gordon report made recommendations with that in mind. I shall not read again the paragraph on page 48 of the report, which was read by the Leader of the Opposition, but it goes so far as to suggest that the government might institute a system of export permits for the export of certain raw materials from Canada, making it a condition of the permit that there would be certain processing done within our country. That shows how important this problem is to Canada today, not 50 years from now; yet the government does not show the slightest interest in adopting a policy of that kind.

Then we believe that a national development policy must correct the serious unfavourable trade balance. You know, Mr. Speaker, the unfavourable trade balance in 1956 was really something. The over-all trade deficit with all nations amounted to $848,-800,000. The highest it had ever been before in the history of the country was $361,100,000 in 1955. In 1956 it was more than double that amount. With the United States the unfavourable trade balance amounted to over $100 million a month. The total was $1,290,100,000. When the Minister of Trade and Commerce was questioned about it last week he had this to say, as reported at page 967 of *Hansard:*

> There is an over-all trade deficit which is due wholly to the present abnormal rate of capital investment . . .

That was just an evasion, just a case of trying to cover up the situation with a statement so far removed from the actual facts that it really does not merit consideration. Last year when the minister was criticized for an unfavourable trade balance with the United States he made the excuse—and I am referring to page 5797 of *Hansard*—that oh, we were getting in a lot of material and

equipment with which we were going to be able to manufacture goods, and then we would not have to buy manufactured goods any more from the United States. He left the impression that the situation would be much better this year. What is the actual result? The result is—

Mr. Harris: The greatest production we have ever had.

Mr. Green: —the biggest deficit with the United States we have ever had, infinitely bigger than it was last year, and it will probably be a good deal worse in 1957. And yet this government does not give the slightest indication of doing anything about it. We export our raw materials and our semi-processed goods, Mr. Speaker, and we continue to import largely manufactured goods. At some time this has to stop or we shall be entirely dependent on and in the hands of the United States.

We have suggested on this side as a remedy that there should be a commonwealth trade conference, having in mind that we would get more of our trade spread out among the members of the commonwealth rather than concentrating it almost entirely in the United States market. It would give us a better chance to sell our foodstuffs and certainly our manufactured goods.

Then I believe more encouragement should be given to the secondary manufacturing industries in Canada. The Gordon commission went into that very thoroughly, and I imagine this is one of the chapters that the members of the cabinet hesitate to read. Mr. Gordon and his associates set out clearly what is happening. They say:

> Our secondary manufacturing industries sell most of their products on the domestic market; in 1955 only 6 per cent of the total output was exported. The main reason for this is the tariff and restrictive commercial policies of foreign countries.

This is particularly true of the United States whose tariffs, the report says, are in general much higher on manufactured goods than on raw or semi-processed materials. Yet in Canada these secondary manufacturing industries are finding their keenest competition coming from the United States. Here we have an industry which employs 20 per cent of the Canadian civilian labour force. In 1955 it employed 1,050,000 persons, and in that year it produced 22 per cent of our total net output. At page 66 the report says:

> The future growth of secondary manufacturing industry in Canada will depend largely upon the size of the domestic market for its products and the share of that market which Canadian manufacturers are able to obtain. Exports will probably be of even less importance than in the past unless important changes take place in the commercial policies of other countries.

The commission goes on to recommend—this will be of interest to the Minister of Finance—two things. The first is that the industry be given the privilege of writing off over a very short period their capital investment in buildings, in machinery and in equipment, which the commission points out would be a most useful and effective incentive for reducing costs and increasing the ability of secondary manufacturing industries to compete successfully with imported products.

They make another recommendation that the government and other large bodies such as railways should make a practice of discussing their prospective requirement and their capital expenditure programs with their principal suppliers well in advance, so there could be a more efficient spacing of production, leading to lower production costs; and they instance freight cars. These appear to be practical suggestions, and I do not see why the government should not take some steps to implement such recommendations; but as yet no action by the government is indicated.

It is six o'clock, Mr. Speaker.

HOUSE OF COMMONS

ANNOUNCEMENT OF VISIT TO CANADA BY PREMIER MOLLET OF FRANCE

Right Hon. L. S. St. Laurent (Prime Minister): Before you leave the chair, Mr. Speaker, may I ask leave to revert to motions for just one minute?

Mr. Deputy Speaker: Has the Prime Minister leave to revert to motions?

Some hon. Members: Yes.

Mr. St. Laurent (Quebec East): I should like to inform the house that Premier Mollet of France has accepted the invitation of the Canadian government to visit Canada after his conference with President Eisenhower in Washington, which will probably be toward the end of this month. I have not yet ascertained just exactly on what date he will be visiting Ottawa, but as soon as it is ascertained I will inform hon. members.

Mr. Howard C. Green (Vancouver-Quadra): That is very good news, but I suggest that the Prime Minister endeavour to arrange for Premier Mollet to address the House of Commons and the Senate, as has been done on former occasions.

Mr. St. Laurent (Quebec East): That will receive consideration, but I do not expect that his visit here will be of very long duration and some of these visits have come at week ends, as hon. members know. When

the exact date of his visit has been fixed we will see what arrangements can be made so that all hon. members may have an opportunity of meeting him and possibly of hearing him.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

SUPPLY

The house resumed consideration of the motion of Mr. Harris for committee of supply, and the amendment thereto of Mr. Diefenbaker.

MOTION FOR ADOPTION OF NATURAL RESOURCE DEVELOPMENT POLICY

Mr. Green: Mr. Speaker, before the house rose at six o'clock I had been pointing out some of the things we Conservatives believe a national development policy must do. One was that it must bring Canadians a maximum return from their natural resources and, second, that it must correct the present serious unfavourable trade balances and particularly the unfavourable trade balance with the United States.

This evening I would like to go on to deal with something else such a policy must do. We believe it must foster a wider financial participation by Canadians in the development of their own resources. After all, this involves the control of our own Canadian natural resources, and this country cannot afford to have such resources controlled from head offices in the United States.

This problem arises because of the very strong United States influence in our resource and manufacturing industries. That is pointed out at page 88 of the Gordon commission report, as follows:

> The more important Canadian industries in which a relatively few companies controlled by non-residents have a dominating influence include the oil and the gas industry, some sections of the mining, smelting and refining industry (including in particular, nickel, iron ore, aluminum and asbestos) some sections of the chemical industry and at least three of the more important secondary manufacturing industries, namely, automobiles, electrical apparatus and supplies, and rubber products.

The Gordon report goes on to make certain recommendations. For example, it recommends certain objectives as being desirable for foreign firms operating in Canada, such as, for example, the employment of Canadians in senior management and technical positions, the purchasing of supplies, materials and equipment in Canada, the publishing of financial statements, and the full disclosure of their Canadian operations. In addition it recommends that the larger Canadian subsidiaries should sell an appreciable proportion—perhaps 20 to 25 per cent—of their equity stock to Canadian investors, and should include on their boards of directors a number of independent Canadians.

Then the report goes on to recommend ways in which all this can be brought about. Perhaps the Minister of Finance would be interested in these recommendations of the Gordon commission. They recommend certain tax concessions at page 91, and they say:

> These suggestions for new and special tax concessions were put forward primarily with the object of assisting Canadian companies and Canadian businesses to compete successfully with their much larger competitors in other countries whose financial resources and research facilities in many cases far surpass what is available in this country.

Now, Mr. Speaker, here is the part of the proposal which would help remedy the situation to which I have referred.

> With this in mind, and if these suggestions for new and special tax concessions are accepted, it might not be unreasonable in the opinion of the commission, to make them conditional in their application to foreign-owned Canadian subsidiaries upon such companies, and more particularly the large or well-established ones, selling some part of their equity stock to Canadians and appointing independent Canadians to their boards of directors.

Then the report makes a further suggestion that it might be possible to charge a higher rate of withholding tax on dividends paid to United States residents by Canadian companies unless an appreciable percentage of the equity stock of such companies is held by Canadian investors.

These seem to be reasonable suggestions, and we would like to know what the government intends to do about them. I have been very much impressed by a pamphlet which was distributed to us all late last week by the Empire Trust Company of New York. It is entitled, "Observations on the Gordon Commission Recommendations Concerning United States Investment in Canada" and the situation is summed up very accurately, Mr. Speaker, in a paragraph on page 6 which reads as follows:

> In the opinion of many Canadians, however, there comes a point where the "continentalization" of the North American economy in many ways implied by the attitude of the U.S. corporation runs counter to the best interest of Canada. While many of the arguments against the "continental economy" approach may be described as nine parts emotionalism and one part fact—

—this is an American summary—

> —there is one that is irrefutable—the conflict in respect of the development of Canadian resources that may well arise between the objectives of the U.S. parent and those of the Canadian authorities.

Certainly there is a problem here to be met. Last year the Minister of Trade and Commerce scoffed at the suggestion that there was anything wrong with the way Canadian resources were being exploited by foreign concerns. But then, after the house rose, he made a speech to American businessmen which was really a repetition of the points raised by Hon. Mr. Drew last session and repeated today by the present Leader of the Opposition. I would like to read to the house a comment in the Victoria daily *Colonist* concerning the visit made by the minister to Chicago:

> Rather like an elderly ram addressing an audience of wolves, C. D. Howe asks American industrialists to be kind to Canada.
>
> He travelled to Chicago recently and pleaded with United States corporations to allow Canadians a bigger share in Canadian resources.
>
> He thus became the first Canadian minister of state to enter a foreign country with hat in hand, and mildly suggest that foreign industrialists let us keep some of Canada for ourselves.

This question cannot be shrugged off. It has to be faced. But this session, unfortunately, the government does not appear to be lifting one little finger to deal with it. Mr. Speaker, the indifference of the government to this problem of processing more of our natural resources in Canada, to our unfavourable trade balance and to the need for encouraging the wider financial participation by Canadians in the development of their own resources, and the complacency of the government with regard to the whole situation is leading Canada into a position of economic colonialism vis-a-vis the United States.

We believe that Canada can be one of the great nations of the world in her own right, but only by adopting without further delay a national development policy of the type suggested in our amendment.

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, I have listened to the debate so far with a great deal of interest, and I have been looking at this amendment for the last few hours, forming my own opinions as to whether it can be implemented or otherwise.

The language of the amendment is, of course, all right. There is nothing wrong with it. And, as other speakers have pointed out, the main part of the amendment concerns the development of a national policy to exploit our own natural resources.

If I were a newcomer in the house and did not know the background of farming out our resources I would be inclined to go along with the arguments I have been listening to; but having been here for some considerable time, having taken part in similar discussions over the years and, in fact, having initiated discussions of this kind by resolution and in other ways, I think the arguments being advanced at this time are a little bit late and rather impractical, to say the least.

During the course of presenting his arguments leading up to the amendment the Leader of the Opposition made it quite clear that the national development policy he advocates must be brought about within the ambit of free enterprise. I said a moment ago that I consider the proposition impractical in the light of the circumstances surrounding the development of our resources today. For a start I should like to ask him how he proposes to get co-operation from the headquarters of the large United States organizations, located mainly in New York city, which have secured certain rights under leases granted particularly by the legislatures of this country. How is he going to bring these companies into a partnership that would help to develop the resources of Canada which they have today under lease?

Second, I should like to point out this fact. When we ask the federal government to implement a Canada-wide national development program we should remember that the resources of the country are in the hands of the provinces and the federal government has no authority under the British North America Act, unless we want to change it, to go into the provinces and do anything with respect to the development of resources.

Third, I should like to make this point. I said a moment ago that this debate was rather late, and I say that for the reason that in the development of pipe lines for natural gas and oil in this country the first five master bills were brought into the house in 1949. At that time we put forward all the arguments that were made this afternoon with respect to farming out our resources to United States interests. We not only made those arguments as far back as 1949 and 1951 particularly, but we also moved motions in the house that these pipe lines should be designated as common carriers so as to keep at least the main valves of the pipe lines in Canada instead of in the United States.

We did not get very much support in the house except from members of our own group. That development is finished. The policy with respect to that resource has been decided not only by the federal government with respect to the question of a common carrier but by the provinces that are developing natural gas and oil.

When we come to iron ore resources we are also a bit late, for the simple reason that when these resources were farmed out in

the first place it was the governments of Quebec and Newfoundland which gave the exploration companies leases over a period of years to explore and develop. But when the application came before the house for a franchise to build a railroad into northern Quebec, and there were a lot of other concessions along with it, again I and other members of this group pointed out that these exploration companies with Canadian names that were getting the franchise were merely a front for large United States interests such as M. A. Hanna Company, the National Steel Company and others who were getting the iron ore resources and the franchise for the railroad to exploit the ore in Ungava and Labrador.

We suggested at that time that the bill to grant the railway franchise should be sent back to a committee so its implications could be studied. We also suggested that the federal government should hold at least 51 per cent of the shares in that development in the right of the Canadian people if risk capital could not be found in Canada to hold at least some of the shares for the Canadian people. We were not supported then. I suggest to my hon. friend that the time to decide about holding these resources is when legislation is going through the house and through the legislatures of the provinces for the purpose of farming them out. We pointed out particularly with respect to the iron ore resources that the future of North America depends on steel. It runs all through our economy. The section of North America that controls the iron ore resources of Ungava and Newfoundland will be able to place in the hands of the government of that section the future development of North America.

Not much attention was paid to those arguments, and today the legislation is there. To get the kind of national development suggested by the Leader of the Opposition it would be necessary to abrogate those agreements and it would be necessary to get the provincial governments to go along with the abrogation. It is all right to move this kind of amendment, but as far as I am concerned I should like to remain within the realm of the things we can do rather than suggest things that I am pretty sure are practically impossible today.

To say that the federal government should enter upon a national development program also presupposes that the government should set up a fund for the purpose of developing our resources where risk capital cannot be found, and unless the fund goes along with such a development policy it will not be very successful. The government will also have to have the power to enforce such a policy, something they have not got at the present time with the exception of the power to make public works available, and so forth. But I am afraid I cannot see how this particular piece of machinery could be put to work, because all the things that are presupposed in the amendment have already been decided by acts of parliament and of the legislatures. That is something that will be pretty hard to undo.

Mr. Nowlan: Nonsense.

Mr. Gillis: All right, you tell me when you get up.

Mr. Nowlan: I will.

Mr. Gillis: How are you going to get control of the pipe line?

Mr. Nowlan: I never knew you to be a defeatist before.

Mr. Gillis: I am stating facts. I am not playing politics. Before I am through I am going to tell the government some things they can do.

Mr. Nowlan: That is good. Go ahead and do that.

Mr. Gillis: But do not try to fool us with this kind of hogwash. Our iron ore resources and the pipe lines carrying gas and oil were farmed out to United States interests with the acquiescence of my hon. friends the Tories. Then the St. Lawrence seaway project came along, a project that just means the development of hydro power in central Canada as far as I am concerned, and in addition the provision of a seaway for the Americans to haul the iron ore up the lakes.

Mr. Knight: In American boats.

Mr. Gillis: I was the only person in the house who rose and protested along the lines suggested here this afternoon, namely that any large public investment made by the people of Canada through the taxpayers' money should at least bring some results to other sections of the country. But today, of course, everybody can see what the implications of these things are going to be.

I am just mentioning these few points in order to bring this discussion back into the realm of realism and to face facts as they are. As far as I am concerned, I am prepared to give the federal government the powers to do the kind of job suggested in this particular resolution. If my hon. friends are prepared to do that, they should say so. But if it is merely a matter of talking about it and advancing a great many nice words, telling a nice story that can be publicized across the country without any possibility of bringing that particular program into effect, that is

another matter. That program is needed, but we are just about ten years too late in going after it.

This afternoon the Leader of the Opposition talked about the development of a national energy board; and of course, being a good politician, he said that idea came from his particular party, that the late Gordon Graydon advocated it in 1951 and Mr. Drew in 1953. The hon. member has been in this house as long as I have, and he will recall that I initiated discussions on that particular question as far back as 1941 and that I moved a motion in this house on April 17, 1946, not only advocating that national energy policy but setting out the mechanics that should be used in bringing it about. That was before the setting up of the dominion coal board as it exists today.

I am mentioning that fact just in order to keep the record straight. I have always had the opinion that in this world you can get anything you want provided you do not care who gets the credit for it. If the Leader of the Opposition had not raised that matter this afternoon and obviously pinpointed it in order to lead people to believe that any of these ideas had come from just one source, I would not have mentioned it. But I am setting the record straight by telling him that from a time going back to 1941 I have been advocating a national fuel board and a national energy policy in this house.

I am glad to see that we are making progress in that field, and I am glad to see there are some people in the government somewhere who have the good judgment to pick up things, no matter from where they come. I am reasonably sure that within the foreseeable future—maybe before this house closes—you will have an announcement that the kind of thing you are advocating by way of a national energy policy will be brought into being. I think that a departmental committee that has been sitting for several years now within the Department of Mines and Technical Surveys has gathered just about all the information and data necessary to bring about that national energy board; and I want to say that it is badly needed.

A moment ago I said I was going to tell the government some things that I thought they could do. One of those things is the setting up of that board. They can do that. It is within the power of this government. But whether or not this government has the authority to do the kind of job that board should do remains to be seen. That will depend largely on the provinces also.

Mr. Diefenbaker: Did the hon. member place the resolution before the house? I refer to the one he mentioned. Was it on a fuel policy?

[Mr. Gillis.]

Mr. Gillis: A national fuel policy. The field has broadened since then. You now have oil in it and you have atomic energy. I said I was doubtful whether the kind of board that is visualized will have the authority to do the kind of job it should do. The Leader of the Opposition suggested that, with the mechanics of confederation as they are today, with control of fuel in the hands of the provinces, it is going to be necessary to deal with the provinces on the question of a national fuel board. They are going to have a big say in it. The companies which have the resources leased out today and can develop them or not, just as they see fit, still have them leased from a provincial government and not from the federal government. If that board is just going to be the kind of board that can suggest and plead, without any power of regulation, then I think that board is not going to perform the function it should perform.

When I talk about energy I am particularly interested in the energy that is produced in my own province. I am particularly interested in it because that energy—I refer to the coal industry—is the main base for the whole economy of that province. That industry is in fairly bad shape today, and in my opinion it requires some other body to bring some planning and some sanity to the management of it, if it is to survive.

In the last report of the dominion coal board—if any one wants to look this up it may be found at page 12—it is definitely suggested that the coal industry of that province is in bad shape. Of course the federal government has made money available for mechanization purposes and so forth. That was several years ago. During that period that action has not improved the industry very much. There has been the closing of several mines, with consequent unemployment. There have been five major disasters and several fires. I sometimes think that perhaps in the rush to secure production where it is not possible, the safety factor in those mines is being lowered to a point beyond that at which it should be maintained.

That is, of course, a matter that is in the hands of the provincial governments; but to date, in my judgment, they have not made a very good job of it. Whether or not the production targets that are being set by that industry can be met is something that remains to be seen. Most people in this house who have heard the matter discussed, particularly the Minister of Mines and Technical Surveys, will recall that back four or five years ago it was said to be just a matter of mechanizing these mines, and that was to bring about the millenium as far as coal was concerned. That has been done.

After that was done it was a question of markets. It was said there were not sufficient markets. Something has been done about markets. As far as the operating company is concerned, my opinion is that over the last year they could not supply the market that was available to them within somewhere about a million tons of coal. So the question of markets is not there. It is nearly time somebody began to find out who is fooling whom as far as that industry is concerned. The federal government has a stake in it by way of subventions and so on. In fact they have kept it breathing over the last number of years.

I look at the newspapers and I pick up clipping after clipping just since we came back to this house. The town of Westville is becoming another ghost town. The mine is closed. Coal mining in that area of Pictou county has been wiped out. There just is not any more. Something will have to be done for that particular community.

As I said before, these leases are farmed out by the provincial governments to big companies. When one big company dominates the life of any town or city in which it operates, you are in trouble. All they have to do to keep you in line is to say, "We will close up." They are using that threat at every opportunity.

I have received a resolution from the people of Westville saying that the lease of the company in that area should be broken so some other operator might be given a chance to come in there. Then you pick up press clippings—you can get them by the dozen, and I do not want to bother the house by reading them—saying that coal dealers complain supplies are not available right in that area. Local, domestic coal cannot be supplied. Press clippings indicate that there is difficulty in getting coal right in the area represented by the hon. member for Digby-Annapolis-Kings, an area in which coal is produced and where they are closing the mine, holding leases and preventing any other operator from operating the mines.

I hope when this national energy board is set up it will have competent personnel who can look into that particular angle of the matter. They could ascertain whether or not the people who are managing the industry are managing it in the best interests of the people who have to make a living there and in the best interests of the community, and whether or not the industry is pulling its economic weight in the whole national picture. The members of the board should be able to sit down and iron out the kinks that exist in the fuel industry, because that industry has to measure up to and meet the competition that comes from Alberta oil. It is not in a position to do that today.

The Gordon commission's report recommended that the whole question of subventions should be investigated. They suggest that the subventions now paid for the movement of coal into Ontario and Quebec should be revamped so they would apply to coal that is marketed in the Atlantic area. Well, water-borne coal is now receiving a subvention of around 88 cents a ton moving from Atlantic ports into Montreal. I leave that thought with the minister. I am not going to argue about it, because if press reports are correct this company cannot supply the coal markets it has at the present time. If that is true, then the answer would not seem to be in subventions, the answer would seem to be in production. Of course production is the company's responsibility. Whether or not they are going at the thing in a way that will get that production is not for me to say; that is for the mine workers to say.

I might point out to the house that the mine workers employed by Dosco are patient and long suffering. They have not had a wage increase in the past three years, yet the wages in practically every other industry in this country have been going up and up. They see the steel plant alongside of them with 4,500 men working for the same company, and their wages have gone up over the years as well as increases in fringe benefits. The mine workers have had no improvement in their wages or their fringe benefits. Negotiations are under way now with the mine workers. A second conciliation board is trying to iron out the difficulty. Judging from all the conflicting reports one sees I am rather doubtful whether anything is going to come out of it. I feel the federal government has some responsibility in the matter because of the enormous amount of money they put into the industry by way of subsidies and subventions.

I hope when this national energy board is set up, and I believe it will be set up, it will have some authority to speak to the provincial people about the management of the resources that belong to the people of that province. Most people seem to forget that when a company takes a lease on resources in any part of the country the company has a right to do what it likes with those resources. However, those resources still belong to the people, and the particular provincial government farming out those resources is the custodian of them and is answerable to the people for the way in which the resources are exploited. In Nova Scotia they are not doing a very good job of exploiting coal.

Now, with respect to this question concerning the formation of big companies—this is

the question of fuel again—I may say that we seem to think once we get a pipe line piping gas into a town or city or pumping oil we are going to have cheap fuel. We forget that as long as there is competition the price will be kept down, but just as soon as the oil company gets control in a certain area and no other fuel is available, they will put the gun to you. As proof of that I am just going to read a few extracts from a letter I have from Langley Greenhouses Limited at Langley Prairie, British Columbia. This is signed by the president of the company. I am not going to read all of it, but it says:

> In this connection we beg to advise you that during the past 12 months the oil companies have advanced their prices to us for fuel oil by approximately 20 per cent. This is for pickup at the refinery by tank truck. As our fuel oil costs us from twenty to twenty-four thousand dollars per annum the increase amounts to a considerable sum which we have to absorb in our operations.
>
> When the Trans Mountain pipe line was completed we believed it would reduce our fuel costs, instead of this large increase. Our suppliers have been Imperial Oil Limited; their net earnings last year were $69,100,000, a net profit increase of 11.3 per cent over 1955, and we believe it would be difficult for them to justify the large increase in oil prices.

This company believed that when the Trans Mountain pipe line went in there they were going to get cheap fuel. Once the other form of energy was eliminated oil prices began to rise. This is the trouble with having all your eggs in one basket. The same factors will apply equally to natural gas. Anyone who thinks he is going to get cheap gas in Montreal or Toronto once the competition of other forms of energy has been eliminated is going to be in for a rude awakening.

Mr. Hahn: They still sell coal there. I buy it myself.

Mr. Gillis: You will be able to answer later. You can make a speech. If you want to defend Imperial Oil, that is for you to say.

Mr. Hahn: I do not want to defend them, but there is still coal there.

Mr. Gillis: Once they eliminate competition you are at the mercy of the company. I had a call from a small industrialist in Toronto who went over to oil on the assumption that it was going to be cheap. He inquired of me where he could place an order for Nova Scotia coal for power purposes. He had switched over to oil and it was now so expensive he had to get out of it. I am merely suggesting that this whole fuel question has to be looked at rather carefully. You can pick out examples from newspapers in the United States and Canada where gas lines have broken, something went wrong with one of their manufacturing plants, and they had to move the people out of their homes and find homes that were not heated with gas in which they could put those people until repairs were made. All these hazards will have to be faced, particularly with a line coming down from Alberta to the province of Quebec.

I am sorry the Minister of Mines and Technical Surveys is retiring from his post after this parliament. You know, you just get these fellows trained and they leave you. The minister has been doing a good job. I hope before he leaves the department he will leave as a monument to himself a national energy board to iron out the many kinks in connection with fuel at the present time and in the future.

I think one of the main problems in this country is the decentralization of industry. I believe the province of Ontario is in trouble now and will be in a lot more trouble within the next few years because of overdevelopment. In talking to the mayors of Canada a few years ago Mr. Frost said, without any equivocation, that all this additional development in the province was raising terrific problems in the municipalities with respect to schools and all the rest of it.

This is pretty well supported in an editorial which appeared in the Ottawa *Journal* on February 6. In a speech made by one of Mr. Frost's chief lieutenants in the legislature he pointed out the financial difficulties facing the province. He said the province had a $45 million deficit last year, and that the debt to date was around $700 million. He went on to point out the additional expenditures anticipated in the next few years, and finished up by saying that unless more help was forthcoming from Ottawa the province of Ontario would have to impose extra taxes, corporation taxes and perhaps go into the income tax field as well.

I suggest that the answer to the problems of Ontario is decentralization of industry. Decentralization of industry will help Mr. Frost considerably. Many of the industries that are being set up today in this province could be farmed out to other sections of the country, and that applies particularly to secondary industries. There is lots of room for them in the maritimes. Don't let anybody tell you there is any shortage of power in Nova Scotia. Nova Scotia can supply power to any industry that wishes to come in there. This is not my statement; it is the statement of the Atlantic provinces economic council, which has been doing research over the past several years.

Decentralization would relieve this province of some of its difficulties. As someone said this afternoon, this country would be very vulnerable in time of war. Two or three

well-placed atomic bombs would put us in the position where nothing would be moving in Canada at all. As the editorial clearly points out, the financial difficulties of this province arise from having to farm money out to municipalities for all kinds of services. This province is going ahead too fast. The services that are being created for new people coming in, for new industries being set up and for industry being expanded, are putting a load on the provincial government and the municipalities they are not going to be able to carry. That is particularly true of the municipalities.

I think the federal government should take another look at the Maritime Freight Rates Act. They say they are doing it. I hope they are, because transportation costs are one of the biggest factors that militate against the establishment of subsidiary industry in the maritime provinces. I think they should overhaul the tariff schedules to find out what tariffs are militating against the outlying sections of the country. I think they will find a lot of revisions could be made in tariff schedules to help both the east and the west, particularly in those tariff schedules which are designed merely to protect central Canadian manufacturers.

I believe the federal government would be well advised to ascertain the possibilities of setting up a national development board. They should find out what the mechanics are, and what co-operation they can get from the provinces. But, in addition to that, there has to be a national investment fund to make capital available to sections of the country where risk capital cannot be found, and risk capital cannot be found today to develop anything in the maritimes. What development is going on in the maritimes they are trying to do themselves. I might say they are not getting very much help.

I hope the Minister of Public Works will remember a letter I wrote him a short time ago on behalf of a small section of one community which is endeavouring to create an industry. They cannot create that industry unless the minister's department builds a breakwater or provides anchorage for the ships or small boats they intend to use in a fishing and canning endeavour. They are working on it themselves and are getting it done by local capital.

I know the minister is going to put something in the supplementary estimates for that particular development. It is a co-operative development. This is one way by which the federal government can help in creating industry where local capital is being found for the development. The Atlantic provinces economic council has all the machinery there. If the minister can find some money for them they can farm it out. They are finding local capital to develop some small industries, particularly in the Cape Breton area.

The four things I have mentioned are practical suggestions. They are within the powers of the federal government. The government can overhaul their tariff schedules. Their experts can tell them what tariffs are impeding the progress of the outlying sections of the country. The government can set up a national energy board and do a good job within the limitations of the federal government with respect to the resources of the provinces. They can think about a national development program and the finding of the money necessary to assist in the provinces, where people are endeavouring to establish something for themselves.

Mr. B. R. Leboe (Cariboo): Mr. Speaker, I should like to say a few words tonight on the amendment to the motion to go into supply. I would like to relate my remarks concerning the amendment to the constituency of Cariboo, where we have possibly a great deal more in the way of natural resources than most people realize. Accordingly, it is my opinion that the development of those natural resources depends to a greater extent on transportation facilities than on anything else. If we have not the transportation facilities in connection with the development of natural resources we just do not get the development.

The provincial government, of course, is providing an outlet from the great Peace river area in the form of the Pacific Great Eastern Railway, which is going to be of great help to those who are looking for the great development that is to take place in that part of the country. We have, of course, been advocating the recognition of this development by the federal government in the way of construction grants.

The federal government has offered a grant of $25,000 a mile for 50 miles of construction. I have a feeling that in the not too distant future another look will be taken at this situation, and the results of the development going on in this part of the province will show that further construction grants are most desirable from the federal point of view.

Development is taking place in Cariboo riding as in other parts of Canada, and this does give a broader tax field to the provincial and federal governments. With the broadening of that tax field it is only reasonable that the federal government, benefiting as it does from that broadening tax base,

should consider granting assistance in the development that is taking place.

It is necessary to develop within any area a climate attractive to capital investment. If we are going to have the development of our natural resources we must create a climate which will bring about the capital investment needed to develop the natural resources. Last year $1,200 million of new capital came into the province of British Columbia. That is a large sum of money that has been invested in the province, and this is due to the proper climate for industrial development.

I was glad to notice from a press dispatch that we are going to have some help in the west in the form of human resources. It is said that the minister of immigration has a plan by which many Britons will be able to come by air to western Canada for a set sum of money. We assure these people that they will be most welcome. Human resources are absolutely necessary for the development of natural resources.

I should like to interject here for the benefit of the Minister of Finance that in the development of natural resources in the north it becomes necessary for management to offer certain concessions to labour in order to have them remain on the job and help to carry out this development. A protest was made to the government in respect to the taxation on these concessions. I hope that in the near future the minister will help us to develop our natural resources by taking cognizance of the fact that it is necessary to give some consideration to those people who are working in outlying districts away from hospitals, schools and other amenities.

Referring further to our natural resources, particularly to the Cariboo, I should like to say that at the provincial level there must be a full return to the people of the province from the utilization of the natural resources in any particular district. The provincial government must see that there is a sufficient return to the people for parting with these natural resources. That is a provincial responsibility and it goes along with resource development. In the last year or two we have witnessed negotiations between the federal and provincial governments resulting in tax agreements designed to more or less distribute the wealth of Canada from the have provinces to the have-not provinces, and in that way the return to the people of a province in respect to natural resources will be reflected in benefits to all of Canada.

One of the great natural resources in the Cariboo is in the form of farm lands. We have good land in the Quesnel area, up through Prince George and in the Peace river block. It is my hope that once again agriculture will get a fair share of the national income. As this land is developed and used for the production of foodstuffs to be consumed in Canada I should like to see the people working in agriculture get a fair share of the national income. It is necessary that they get just exactly that in order to develop our natural resources.

Then a word with regard to the timber resources of northern British Columbia. It has been stated in this house, and it still stands true, that Prince George is the white spruce capital of Canada. I think most hon. members are familiar with the fact that the Sloan commission has been sitting in British Columbia for some time investigating land tenure as far as timber is concerned, sustained yield programs, silviculture practices and other related matters. This is the second commission that has been set up in British Columbia, and was made necessary by changing times and methods in the handling of timber.

Plywood plants are more numerous in these later years, and there have been plans for great expansion in the pulp and paper industry up in the Quesnel area. There is a plywood plant operating there now, and there is a pulp mill on the drawing board. We expect to have a pulp mill in the Peace river block in the not too distant future. Much research has been done in this regard up to the present time.

We have great water resources in British Columbia, and Cariboo constituency has not been left out of the picture in that regard. In the development of our water resources I submit that we must be mindful of the fishing industry. The world population is increasing very rapidly, and the fishing industry may become a most important factor in the feeding of that population in the not too distant future. So I think we must be ever mindful of the fishing industry when we consider the development of power.

In the field of gas and oil we all know of the great developments in the northern part of Alberta and in the Peace river block of British Columbia. There is a great amount of natural gas available for consumption at the present moment, with more reserves on hand. A pipe line to Vancouver and on into the United States is being built at the present time, and I shall have something to say on that matter a little later. In connection with gas and oil I emphasize that it is necessary that the province guard the people's rights so they may have a fair return for these natural resources. This is being done.

In the Cariboo riding there are large deposits of limestone and shale for the manufacture of cement. As we find the province developing the demand for cement is bound to increase; and as the northern part of the province develops, a cement factory would meet a growing need in the north country.

In and around Prince George, and in many parts of Cariboo riding, we have large deposits of clay for pottery and for brickmaking. With the advent of natural gas these industries will be developed. In the Quesnel area we have a large deposit of diatomaceous earth, and we expect that in due course this will become widely used in industry.

We have heard from several speakers this session about the trouble in which the coal industry finds itself today. We also have large deposits of coal in the Pine pass country and in the Hudson's Hope area of the Cariboo riding. When I say large deposits I mean very large deposits. Moreover, the coal is of very high quality, and it is expected that in spite of the difficulties through which the coal industry seems to be passing, development of these resources will proceed very rapidly once the railway is built into that area as projected. It is well known that we have a great deal of base metal in the Cariboo riding, gold in the Wells-Barkerville area, and one of the largest quicksilver mines on the continent in the Fort St. James area.

In addition, the Cariboo riding is one of the greatest natural tourist attractions in the whole country; the big game, hunting and fishing business has been carried on in this part of the country for many years, and it has been my pleasure at various times to have gone out with the so-called dudes from parts of the American continent other than Canada looking for grizzly bear and other big game in the mountains. We also have, of course, the highest mountain in the Canadian Rockies—Mount Robson—and a wonderful park is being developed at that point.

The development of local industry in the Cariboo riding will obviously be accelerated by the fact that we shall soon be able to avail ourselves of natural gas. Before I discuss that any further I would like to express my appreciation to the provincial government for the co-ordination of transportation with capital expansion programs. It was absolutely necessary that the Pacific Great Eastern Railway be extended into the Peace river country in order that the Westcoast Transmission Company should be able to build the Westcoast Transmission line for natural gas. It is my understanding that when the scrubbing plant which is now being built at Taylor Flats between Fort St. John and Dawson Creek is completed, there will be two trainloads a day of by-products sent out from this natural gas supply. It is absolutely necessary that these by-products should be shipped out by rail. Therefore the extension of the Pacific Great Eastern line was timed and worked in with the development of the natural gas industry in that area.

So, all in all, I suppose, we have in the Cariboo riding one of the greatest possibilities for development which lies before any area in Canada, and I might say that it has been a privilege and a pleasure for me in these last four years—it is almost four years now—to represent that great part of the country here in this House of Commons.

Mr. Byrne: Would the hon. member for Cariboo care to indicate whether or not he is supporting the amendment?

Mr. Wylie: That sounds to me like an emission of natural gas from the hon. member for Kootenay East.

Mr. Leboe: I think there will be a little more time for me to give full consideration to that after the debate has been completed.

Mr. Byrne: What was the 40-minute speech for?

Mr. Leboe: You just vote for your party. You do not give any consideration to the debate at all.

Hon. George Prudham (Minister of Mines and Technical Surveys): Mr. Speaker, I had intended to make a rather full statement about the part the Department of Mines and Technical Surveys plays in resources development when the estimates of the department came before the committee, but after listening to the debate here today I thought it would be timely to make a few remarks at this point.

The amendment before the house is:

> That this house is of the opinion that the welfare of the Canadian people requires the adoption now of a national development policy which will develop our natural resources for the maximum benefit of all parts of Canada . . .

That is part of the resolution, and the part with which I would like to deal.

For the last seven years I have had the honour to be associated with the great resources development department of this government, namely the Department of Mines and Technical Surveys. The hon. member for Cape Breton South very properly reminded the house that the resources of this country belong to the provinces. This is a vast country, 4,000 miles from coast to coast, with a great variety of terrain and geographical conditions, and I believe the fathers of confederation very wisely decided that its resources could be better developed by provincial governments in the light of the closer

and more local control which they could exercise. This ownership of resources by the provinces places on the provinces themselves the responsibility for development. The federal government has the over-all responsibility to act in the interests of Canadians wherever they live.

We are very fortunate in Canada in that our mineral resources are fairly well distributed across the country. In the earliest days of settlement, when the pioneers settled the prairie provinces and, indeed, this part of the country too, they considered the great Canadian shield a barrier to human occupation. Today it is known to be a storehouse of mineral wealth and treasure.

The Department of Mines and Technical Surveys has five branches, and one of the oldest branches of all, the geological survey of Canada, has been mapping the geology of this country for the past 100 years or more. The work of our department is usually many years in advance of actual development. The hon. member for Vancouver-Quadra made the remark this afternoon, if I heard him correctly, that this government has done very little to help discover new mineral resources. He went on to talk at great length about iron ore development in Labrador. I would remind him that the geological survey of Canada reported the presence of that iron ore deposit before the turn of the century, and there are many other instances across Canada where the geological survey has reported the presence of ore bodies many years before development took place.

A recent example is the great Blind River uranium development in western Ontario. That discovery and development was based on a geological report of the 1920's.

I could give many other instances. Today we are endeavouring by a study of the geology of the country and the production of maps—for maps indeed are the keys to the unlocking of our resources—to take some of the risk out of the highly risky business of resource development. Every year the Department of Mines and Technical Surveys has 175 to 200 survey parties in the field in all parts of Canada. In recent years there has been very active interest in the Northwest Territories. My colleague will probably speak about the development of the territories later, but during the last five years the geological survey branch has conducted first look or reconnaissance surveys in that great area from Hudson Bay westward to Yellowknife. Last year they had a large party in the northwestern part of British Columbia.

Using modern techniques of surveying, including helicopters, we are now able to accomplish in one session what a few years ago would have taken 25 years by the ordinary ground or conventional methods of surveying. I mentioned the work of the geological survey during the last five years. In their reconnaissance survey in the Northwest Territories they had a first look at over 300,000 square miles of territory and between 60,000 and 70,000 square miles of that area look promising for prospecting. In these reconnaissance surveys they do not go into detailed mapping, but it is a first look in order to indicate where the best prospecting territory is so that private industry can go in and do the developing.

Two years ago we had a large party in the far north, on the Queen Elizabeth islands. That party was served by helicopters. The ground work always has to be laid for these parties a year before or sometimes two years before by establishing caches of fuel and supplies. The survey of the Queen Elizabeth islands showed indications of oil, coal and gypsum even in that far northern territory. During this coming season the geological survey plans to have a helicopter party in the upper Mackenzie river area to study the geological structure and see if the oil-bearing areas in northern Alberta and at Norman Wells are connected.

I could go on and give many more instances of surveys that have been undertaken recently, but I should like to mention the work of the Canadian hydrographic service. We operate 16 ships in all. A few months ago we launched and commissioned a new hydrographic ship which cost over $4½ million. It is equipped with the most modern sounding and surveying devices of any ship in the world, and it will be used to chart our northern waters. This is very important for the development of minerals. In the last couple of years our hydrographic survey has been surveying and charting possible new harbours in the Hudson Bay area for the development of the new discoveries in that region.

Our new ship, the C.G.S. *Baffin*, is equipped for icebreaking. The men of the department tell me they have had it out for trials and it is able to keep going even through ice up to 3 feet in thickness. It will be able to work the year round, whereas the other ships of the survey are usually laid up during the winter season.

Hon. members have spoken about the need for conservation. Our mines branch is constantly studying new methods of beneficiating ore, and special attention has been given to the low-grade uranium ores. The uranium developments at Beaverlodge and Blind River would not be possible today had it not been

for the work of the mines branch in working out new methods of producing the uranium from low-grade ores.

The hon. member for Vancouver-Quadra had quite a bit to say about the need for processing Canadian ores before they leave the country. I am all for that, too, but I would remind him that Canada was largely built with the ore from the Mesabi range in the United States before we had iron ore in commercial quantities, and if some of it flows back the other way for a while I do not think we should feel too badly about it. Furthermore, the iron deposits of Labrador would not have been developed today without the prospect of the market for the ore. I have no doubt that as this country develops and our population increases, and the possibility of larger markets develops, there will be larger quantities of iron ore as well as other minerals processed here in Canada.

A few months ago I had the honour to be invited to a dinner here in Ottawa with the representatives of three major steel companies who are opening up a deposit of low-grade iron ore some 40 miles west of Ottawa. During the conversation I asked them about the quality of the ore compared with that of the Mesabi range. They said, "Oh, we have a thousand years' supply of the same kind of ore in the Mesabi range." I said, "Why are you not developing it, instead of coming up here?" They said, "Oh, the taxes are more favourable to us in Canada; that is why we are coming here." To my mind that is an answer to some of the statements that have been made today.

A great deal has been said about the unfavourable balance of trade. I believe a great deal of the unfavourable balance today is caused by imports of capital machinery and goods going into the mining industry. It will only be a matter of months or years until that new capital equipment becomes productive and the trade balance will be corrected.

I have mentioned the wealth of knowledge the geological survey and other branches of our department have been accumulating over the years. In its early stages the oil development in Alberta was based on the geological knowledge that had been built up from the maps and reports produced by the geological survey of Canada. I have a very interesting quotation here from a speech made by the discoverer of the Blind River uranium deposit, Mr. Joubin. He said:

> The best place undeniably to find a record of observed facts is in the publications of our dominion and provincial geological surveys and departments of mines reports. If you care to research the project as I have, you will be amazed at the number of important mines that have been developed across Canada that were all previously described in the technical literature even decades before their importance was proved. This is a form of armchair prospecting, sometimes successful, in which almost anyone can indulge.

That is the end of the quotation from Mr. Joubin. He goes on to say that mining is an industry but mining exploration is a romantic adventure. There is a great deal in that last sentence. There is that spirit of adventure, a spirit of enterprise and self-reliance—a spirit that has built this country —which is evident today in the mining industry. It is the policy of this government to encourage that initiative.

Most of the speeches made here today have indicated that the government should be doing more about development. I think the very best way to develop our resources is to create the conditions that will encourage private enterprise to go out and do the job. Since I became Minister of Mines and Technical Surveys seven years ago the dollar value of mineral production in Canada has more than doubled. It has gone from less than $1 billion to over $2 billion last year. That was done by private enterprise, not by governments. We provide the foundation for private enterprise to go forward and do the job.

My friend the hon. member for Peace River, who always claims to be the champion of private enterprise, mentioned the need for a railway to Pine Point. I certainly hope that development takes place very soon. But I would remind him that this great deposit is owned by a subsidiary of the Canadian Pacific Railway. The Canadian Pacific Railway has a half interest in the Northern Alberta Railways, and when the time comes that they approach this government with a request for assistance, if they need it to build that railway, I am sure they will receive a good hearing. I believe that private enterprise should take the initiative there.

In closing, Mr. Speaker, I should like to invite all hon. members of this house to pay a visit to the mines branch down on Booth street in order to see what this government, through the mines branch, is doing to encourage the efficient development of the mineral industry in this country, and also to see our mapping division. We produced and distributed over a million maps last year. It is worth a few hours' time spent in going down there to see the department in operation.

I am happy indeed to see the new buildings taking shape down on Booth street for the Department of Mines and Technical Surveys. Our department has been housed in over 30 different buildings for a number of years, and it has been rather difficult to conduct as efficient an operation as we should like to

conduct. However, the new building program now under way is going to provide a good home and good equipment for a good job.

I should like to give a list of these buildings; I think it is worth noting. The radioactive and chemistry building is under construction. The contract price is $3,134,000. The contract has been let for $6,330,000 for the geological building for the geological survey of Canada. There is the administration building, for which the contract has been let at $2,398,000. The surveys and mapping building to house the mapping branch will cost an estimated $8 million. This government is very much aware of the need for the development of our resources. Anyone who is in doubt should make a survey of the Department of Mines and Technical Surveys establishment.

Mr. G. C. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, I am sure we have listened with interest to the remarks of the Minister of Mines and Technical Surveys. I join with the hon. member for Cape Breton South and others in expressing regret that, according to the reports we have read in the newspapers, he will not be back in this house after the next election. I certainly agree with the hon. member for Cape Breton South that the minister has given some direction in the Department of Mines and Technical Surveys, and we appreciate the services he has rendered.

Frankly, however, I do not think his comments tonight were quite in keeping with the resolution which is before this house. The house is discussing the control of raw materials which have been or may be discovered in this country, whereas the minister dealt more or less fully with the work his department was doing in developing the natural resources of this country. I think they are two separate things. The minister stressed the work done by the geological survey of his department. With what he said I think we all can concur. We realize that we have there a large group of devoted civil servants who have done a great deal in developing the natural resources of this country.

I am not sure, Mr. Speaker, whether the minister who has just spoken belongs to the Howe school which sneers at the Gordon report, or whether he belongs to the other school which perhaps accepts it more or less regretfully. But if the minister will turn to page 49 of the Gordon commission report he will find one specific paragraph dealing with the geological survey.

It states:

> One way in which further aid and stimulus might be given to the mining industry would be to step up quite considerably the rate of mapping and surveying by the geological survey. Excellent work is being done by this branch of the government service, but unless a considerably larger staff is recruited and steps are taken to retain those who are recruited, the preparation of a geological map of Canada will not be completed for many years.

Then the report goes on further to deal with the work the geological survey has done. We admit it has done some work, but there is still much room for development in that connection.

The minister also referred to the geophysical survey and the hydrographic service of his department. We realize that is valuable work. I remember that last year, in committee of supply, the minister admitted that many of the maps which are at present under his department—despite the million which he said were published last year—are based on maps which were prepared by British naval captains and officers back in the days before Canada became a nation. Hence there is a great deal of room for development in that field as well. But as I said, what we are concerned with particularly in this resolution is the control of these resources as they may be developed.

My friend the hon. member for Cape Breton South, who is usually an optimist, I thought tonight adopted somewhat of a pessimistic attitude toward this resolution.

Mr. Gillis: A realistic attitude.

Mr. Nowlan: He says "realistic". I trust he has not become like Father Time in that he confuses pessimism with realism. I thought in his remarks tonight he was almost shrugging his shoulders and saying, as the saying goes, "Nothing can be done nohow, nowhere, no place". He said these national resources came within the control of the provinces, he spoke about the tremendous leases and contracts which have been granted, and he implied that nothing could be done.

The Minister of Mines and Technical Surveys, despite the fact that he is retiring, is much more optimistic than is the hon. member for Cape Breton South, because the Minister of Mines and Technical Surveys pointed out the tremendous developments which are taking place every day, the new fields which are being discovered, the new mines which are being opened. Undoubtedly others which have not yet been leased will be leased to some of these huge corporations which are so repugnant to the hon. member for Cape Breton South.

As the minister pointed out, there will be tremendous discoveries come in the future. It is with that vision in mind that we are bringing forward this resolution tonight. It is granted that there are some resources which are leased. It is granted that there are contracts which have been made. But contracts

have been made before by provincial governments and ways and means have been found whereby the federal government, if necessary, could step in and control the matter. I remember an instance a year or so ago when our friends to our extreme left in the Social Credit party were extremely energetic in discussing the control of a river in British Columbia which they said came within the scope of the province.

It only took this parliament about five seconds, under the direction of the Minister of Trade and Commerce, to introduce a bill which took control of the river away from the province, or purported to do so, and brought it within the federal arena. I think uranium is a natural resource which comes within the scope of the provinces, but uranium seems to be fairly well controlled by the dominion government.

One could go on and on but frankly, Mr. Speaker, I hope the pessimism shown by the hon. member for Cape Breton South is only temporary, because we enjoy his optimism. We would regret feeling that time has rolled on so rapidly there is nothing that can be done in this world to alleviate the conditions which he admits are bad and about which he says it is now impossible for anyone to do anything.

This resolution, Mr. Speaker, is a most important one. I have been out of the house, frankly, as some hon. members know, for the last few days. I have been in the east, in my own constituency and in the maritimes generally. I would say there are two questions which are of vital concern to the people of that portion of Canada today. The first is our external affairs and the situation which has developed in that connection vis-à-vis the relationship of Canada, the United States and the commonwealth. This is not the time nor the place to discuss that, but because of that perhaps the feeling, emotional or otherwise, has been greater about the second question. I found more interest and more concern about the control of Canadian corporations and Canadian natural resources by United States interests than I have ever experienced before. There is an atmosphere in connection with this matter today which is much more intense, I think, than perhaps the members of the government realize or, frankly, than I realized until I talked with many people of all political parties who were concerned with these two matters.

Let us not have any foolish statements in this respect, Mr. Speaker, about the Conservative party being opposed to the importation of United States capital. It is not; it welcomes it. We realize that United States capital has played an important part in the development of this country. We welcome United States capital at any time. However, it is one thing to welcome United States capital and it is another to witness a situation developing whereby we might become the economic vassal or economic satellite of United States interests.

Now, that is not Conservative propaganda. It is suggested that this matter was discussed some years ago. As the hon. member for Cape Breton South said, there is no point in one person trying to take credit for introducing this prior to another person. I do not know when it was first discussed in this house. I know it has been discussed many times during the years I have been here, with some intensification during the last three or four years. I have heard it suggested that this is narrow, Tory propaganda. They go back to these old cliches about no truck or trade with the Yankees, and so forth and so on, all of which is sheer nonsense. At least now we do not have to stand at the same time as our own lawyers and our own witnesses arguing our own case, because we can call many witnesses.

We can call, for instance—perhaps they will say they are associates of the Conservative party, but I think they are now mostly associates of the hon. gentlemen on the other side—the bank presidents of this country, who in their annual statements have worried about this situation and have deplored it. We can call the Minister of Trade and Commerce himself, and quote the speech to which the Leader of the Opposition and the hon. member for Vancouver-Quadra referred this afternoon. Of course we can call the Gordon commission, but I am not sure whether or not that should be quoted to hon. gentlemen opposite. At least, this was the bible on which they were going to run the next election, and they are going to have a hard job running away from some of the things contained therein.

The Gordon commission very carefully, of course, as a royal commission should and as able, intelligent men would, does not come out with any flagrantly violent statement, but if you read the report you will find they are rather concerned about this matter. They deal with questions reflecting on the control of Canadian corporations by United States interests. Then the hon. member for Vancouver-Quadra spoiled the only speech I was going to make tonight by reading to the members of the house this report from the Empire Trust Company. It is a rather amazing document, Mr. Speaker. Here you have a United States corporation, one of the wealthiest trust companies and financial organizations in the United States,

whose investment counsel department issues this brochure dealing with the Gordon commission report and the reaction of Canadians to that report. I think every hon. member got a copy of this brochure, and I presume it has been read. It certainly is an intelligent and sympathetic appreciation of a possible Canadian viewpoint.

The hon. member for Vancouver-Quadra read one pertinent paragraph, and those who read *Hansard,* and who read my speech in *Hansard* can look back to his in the same issue and they will read the paragraph of this brochure to which I was going to refer. Then the article goes on, after dealing with this question of United States control, and says that the Canadian fear is justified—

> . . . when the ultimate managerial decision will be made by persons whose thinking is conditioned by the prevailing state of affairs in a different economy.

In other words, to paraphrase that, one might say when the ultimate managerial decision in Canada will be made by persons whose thinking is conditioned by the prevailing state of affairs in the United States. They say Canadians are justified in worrying about that, and they go on to give examples:

> Take the case of the development of natural resources. A United States company chiefly concerned with its world-wide raw material position may choose to "sit on" its oil or iron ore in Canada as a hedge against the future unavailability of reserves located in more politically sensitive areas.

Then they cite how during the depression years United States corporations withdrew their money from Canadian subsidiaries, leaving the Canadian subsidiaries broke, in order to finance their own operations in the United States and thereafter the subsidiaries were never able to get going again. As I said, I think we should appreciate the fact that there are people in the financial world in the United States who are broadminded, who are intelligent, and who have no desire to exploit this country. The fact that you do have a financial house which will deal with the situation as intelligently and as sympathetically as they have speaks well for that type of United States businessman. It is also a full answer to anyone who says that when we raise this question in the House of Commons it is Tory propaganda and should be treated accordingly.

So much for United States control of Canadian corporations, and I am going on now to this question, of the processing of Canadian raw materials in Canada. I feel the emphasis on this point has developed during the last five years because of the publication of the so-called Paley report in the United States. There you had a commission set up by the President of the United States to study the economic resources of that country. A tremendous study was made, and the report covered several volumes. The net effect of that report is that in some cases the United States is now, and in many other cases will rapidly become, a have-not country in so far as raw materials are concerned. The Paley report emphasizes the fact that if the United States is to continue to be an industrial nation it must get its raw materials from other countries and bring them in for processing and manufacturing.

You may believe me, Mr. Speaker, that this is of interest to the people of Canada, particularly the younger people.

The matter has been discussed. I realize the possibility of criticism, and I realize the implications. Here is the old Tory party talking about tariffs, and they must be involved, and so forth and so on. There are all these cliches of the decades which we have heard, and all the political controversies of this country; but I had one most interesting experience a year ago in travelling around and through the maritime provinces with the then leader of the opposition, Hon. George Drew, and speaking in a non-political way to student bodies at Mount Allison, at Dalhousie, at St. Francis Xavier and at Acadia University.

They were non-political groups, student bodies; they were not political organizations but student bodies to whom he spoke. Obviously, everyone knew who he was and what he would be like. At least half the audience would not be interested in him when he came in, but as he developed this thought, the tremendous potential of Canada in those raw resources and the problem which was posed in the future as to whether those could be manufactured in Canada or whether they should be manufactured elsewhere, in each case when he finished that audience of rather cynical—perhaps "cynical" is not the right word to apply to young students—that rather suspicious and doubting audience rose and gave him a tremendous standing ovation because of this picture of Canada of the future and what might happen if this development took place within Canada.

These young people, Mr. Speaker, had only one interest, at least one primary interest. That was an economic interest, namely to live in Canada and to obtain employment here. Most of them did not want to go to the United States to earn a living. They wanted to live, preferably in the maritimes but certainly somewhere in Canada, and they saw this picture which was being developed

as an opportunity for them to obtain employment in Canada. That is why they greeted him and his message as they did.

Certainly the figures which the hon. member for Vancouver-Quadra or the Leader of the Opposition, I forget which, put on the record this afternoon showed the present rate of depletion of Canada's natural resources. I emphasize these words "the present rate of depletion", assuming no greater expansion of that development. Time is very short. In many cases in 15 years, 18 years, 24 years and 26 years we too shall become a have-not country with respect to many of these minerals.

That is why, as I said, this resolution is timely, and that is why it is so important. Now, apply that to the area of which I have some knowledge, the maritime provinces. There are apparently two schools of thought with respect to our natural resources. I hold in my hand an editorial from that very excellent paper published in New Brunswick, the *Fundy Fisherman,* which cannot be accused of being an ardent supporter of the Progressive Conservative party, at any rate, Mr. Speaker. This editorial outlines the great natural resources of the maritime provinces.

I am not going to put it on the record because I realize that they are a trifle optimistic. They point out, and quite properly so, that the greatest fisheries in the world, with all due respect to British Columbia, are to be found in that area. There are natural resources second to none; there are vast deposits of limestone, coal, iron and so forth. There are thousands and thousands of square miles available for oil exploration which have not yet been surveyed by the geological survey of the Department of Mines and Technical Surveys. And so it goes.

Then you get the Gordon commission report, which rather apologetically shrugs its shoulders and says that nothing can be done for these poor people but to buy their tickets and send them out of the provinces somewhere. Somewhere between these two extremes is the proper situation with respect to the maritimes. There are tremendous natural resources there. There are more which can be discovered.

Take the mineral deposits in northern New Brunswick. I sat on the standing committee on railways, canals and telegraph lines last winter when that committee was considering the construction of a branch railway line running between Bathurst and Newcastle. Mr. Fairweather, the vice president of the Canadian National Railways in charge of development, was there and he said to that committee, as his considered opinion, that the base metal deposit in northern New Brunswick was one of the greatest, if not the greatest, in Canada and possibly in North America. He said it had only been scratched in so far as the future development of that area is concerned.

What is to be done with that? Are those ore bodies to be taken out of there and shipped to the United States for processing, and a few people employed in mining them? Or is northern New Brunswick, and the whole province of New Brunswick, to become an industrial area because of the development of this base metal deposit which, again I say, Dr. Fairweather said was in his opinion the most important in Canada. When you think of the pre-Cambrian shield, when you think of the base metal deposits in Ontario, Quebec and in the rest of Canada—and he puts the deposit in New Brunswick up against them—you can envisage some of the possibilities of development there.

Now, one can say, and quite properly, well, what about the power for the development of that area? Certainly, Mr. Speaker, I do not think Beechwood, important as it is, would ever produce enough power to develop that whole area because, if the province of New Brunswick develops, Beechwood itself and the power from there will be required for domestic and various other uses in New Brunswick. Probably the proper place to get the power from is across the river and have it come down from the province of Quebec. Whether or not that can be done depends upon a certain situation. At least, for the moment it cannot be done. But there is another solution, and that is the establishment of thermal-power units along the coast burning Nova Scotia coal and developing power from that coal, thereby providing employment for Nova Scotia miners and also providing for the development of that area in the north.

When I speak of power in New Brunswick I think of the tremendous power development on the north side of the river. It is one of the greatest power potentials in North America. If that power is not to be kept within the province what is going to happen? Northern New Brunswick may develop its own power there, naturally, but also on the north side of the river an industrial area is going to develop during the next two decades. Thousands and thousands of people will establish themselves there if we maintain a policy of manufacturing things in Canada that can be manufactured here. If that is done markets will be provided for the farmers of Nova Scotia, for my farmers in the Annapolis valley and for the farmers of Prince Edward Island. Agricultural markets

will be developed, which are sadly lacking at the moment, but which could be developed.

Since I am speaking of power I want to refer to one remark made by the hon. member for Cape Breton South, and I quite agree with him that there has been a misunderstanding with respect to the power situation in the province of Nova Scotia. There is available today power for ordinary domestic use and power which may ordinarily be required in that province in the immediate future, primarily due to the industry, imagination and courage which have been shown by the directors of the Nova Scotia Light and Power Company in supplying these huge steam plants in Halifax and elsewhere which burn Nova Scotia coal. That puts us in the position where no ordinary industry that wants to come into that province has to be refused because of a shortage of power. In fact, no one has been refused. When you think of the tremendous power requirements of an aluminum plant, or something of that kind, where power is an essential, we certainly have not got that. But there again there are tremendous possibilities of tidal power at cape Split, Passamaquoddy, and others to which reference has been made in the house, where co-operation between the provincial and federal governments could result in a great deal being done in that field.

I have spoken of New Brunswick. It is not my own province. In Nova Scotia we have not had the fortune so far to discover great base metal deposits such as were discovered in northern New Brunswick. Do not forget that the pre-Cambrian shield that runs across northern Ontario and Quebec dips and comes up again in northern New Brunswick, dips and comes up half-way across the island of Cape Breton. What has been discovered in one place, when these geological surveys are completed, might easily be discovered in another place.

For instance, we have a steel plant at Sydney which provides employment for many people. However, there are men working in that plant and people generally in that area wonder why iron ore should be mined in northern Quebec and Labrador, brought down the St. Lawrence, transported up the great lakes and into the United States. They wonder why we should be spending hundreds of millions of dollars to build the St. Lawrence waterway for that purpose when none of that ore is coming down to the natural geographical location at Sydney, which is like a wharf sticking out into the Atlantic. Secondary industries could be established and you would have contact with all markets of the world with the cheapest transportation possible. That is one reason we are interested in the development of our resources in Canada rather than having them shipped to the United States.

It was not so many years ago that we went through a similar experience to this, but in a smaller way, in the province of Nova Scotia. I am referring now to provincial governments. More years ago than I like to recall I happened to be a member of the legislature when the question of the erection of a paper mill in Nova Scotia came up. The leases were tied up with United States interests, and it was suggested that this was Tory propaganda going around that the paper would be made in Nova Scotia. The Rhodes government of that day provided the requisites in the way of timber and a paper mill, perhaps not tremendous when compared with other mills throughout the world but nevertheless a sizeable mill, was built at Liverpool by the Mersey company. The prosperity of that whole part of the south shore is dependent upon that industry. A town has been maintained and employment given throughout the years because of the inauguration of the simple little principle which is set forth in this resolution, the processing of Canadian raw materials in Canada.

I realize that this has to be treated sensibly. No one is suggesting for a moment that we should cut off exports of raw materials to another country. There exist obligations, there exist contracts, there exist rights, all of which have to be protected. There are types of raw materials which perhaps cannot be processed economically in Canada. I have one instance alongside my constituency. As the Gordon commission says, each one of these cases must be considered on its own basis and an individual study made.

We have deposits of gypsum in that part of the country. Because of the geographical location and the cheap water rates we are able to ship tons of this gypsum to the Atlantic states, where it is manufactured into plasterboard and other components of the building industry. There are tremendous gypsum deposits in Illinois and probably many other places in the United States. If one insisted on this being manufactured in Canada and if a duty was imposed by the United States government, it might be possible for those plants located on the seaboard to pay the freight rate, which they cannot afford to pay today, to bring the gypsum from the interior.

We are approaching this on a reasonable basis. No one is suggesting that this is the end of everything, that this is the solution of all problems. When the Conservative party forms the government this year it is not going to cut off all existing contracts and

revolutionize the whole set-up. There will be a reasonable approach to the problem which must be taken if Canada is to provide employment for the young people of this country.

With the natural resources which we have, with our young people who are with us, we must meet that challenge. That is the challenge facing the government of Canada. If it is met, Canada will become one of the great nations of the world. If it is not met, Canada will languish and always be a secondary power depending upon the economy and spending of the great country to the south.

On motion of Mr. Lesage the debate was adjourned.

On motion of Mr. Harris the house adjourned at 9.56 p.m.

Questions

ANSWERS TO QUESTIONS

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

GORDON COMMISSION PRELIMINARY REPORT—DISTRIBUTION OF COPIES

Question No. 83—**Mr. Dufresne:**

1. How many copies of the preliminary report of the royal commission on Canada's economic prospects were printed?
2. What is the price per copy?
3. How many copies were distributed free?
4. Are copies shipped the same day that orders are received?

Answer by: **Hon. Roch Pinard (Secretary of State):**

1. English edition, 10,000 copies; French edition, 2,500 copies.
2. $2.
3. English edition, 900 copies; French edition, 334 copies.
4. After tabling in the House of Commons and stocks permitting, yes.

GORDON COMMISSION PRELIMINARY REPORT—PRINTING COSTS

Question No. 84—**Mr. Dufresne:**

1. What was the cost of producing the printed copies of the preliminary report of the royal commission on Canada's economic prospects?
2. Has the government printing bureau a costing system similar to that used in commercial establishments?

Answer by: **Hon. Roch Pinard (Secretary of State):**

1. $15,950.
2. Yes, similar to that prescribed for commercial establishments by the printing industry of America.

CANADIAN WHEAT BOARD—PAYROLL STATISTICS

Question No. 86—**Mr. Low:**

1. How many employees are on the payroll of the Canadian wheat board?
2. What are the salaries paid to these employees?

Answer by: **Mr. Dickey, Parliamentary Assistant, for the Minister of Trade and Commerce:**

The employees of the Canadian wheat board are not civil servants. They are employed by the board at salaries in line with those paid by other grain organizations. Publication of salaries paid to individual employees would therefore be prejudicial to the operation of the board.

The annual report of the wheat board for the crop year 1955-56 shows total salaries paid to board members, officers and staff of $1,921,159.48 and the staff and officers as at July 31, 1956, totalled 723.

AGRICULTURAL PRODUCTION, NOVA SCOTIA

Question No. 102—**Mr. Balcom:**

1. What was the total value of the agricultural products produced in Nova Scotia for 1956?
2. Of this total, what was the value of: (a) the apple crop; (b) the egg production?

Answer by: **Mr. Dickey, Parliamentary Assistant, for the Minister of Trade and Commerce:**

1. This information is not, as yet, available. The preliminary estimate of cash income from the sale of farm products for Nova Scotia for 1956 is $44,746,000.

2. See answer to question 1. (a) Not separately classified. The preliminary estimates of farm cash income from the sale of fruits in Nova Scotia for the period January to September, 1956, is $1,594,000. (b) The preliminary estimate of farm cash income from the sale of eggs for the period January to September, 1956, is $4,867,000.

CANSO CAUSEWAY SHIPPING TONNAGE

Question No. 107—**Mr. Balcom:**

What volume of shipping (ships, tonnage) has passed through the locks of the Canso causeway, since its inception to and including December 31, 1956?

Answer by: **Mr. Dickey, Parliamentary Assistant, for the Minister of Trade and Commerce:**

The volume of shipping which has passed through the locks of the Canso causeway since its inception (September 2, 1955) to and including December 31, 1956, is:

Number of vessels	3,904
Registered net tonnage	280,204
Cargo tonnage	81,494

POST OFFICE CONSTRUCTION COSTS, JONQUIERE AND ARVIDA, QUE.

Question No. 114—**Mr. Girard:**

What amounts have been spent by the federal government for the construction of the post offices of Jonquiere and Arvida, respectively?

Answer by: **Mr. Bourget, Parliamentary Assistant, for the Minister of Public Works:**

Jonquiere federal building	$425,157.74
Arvida federal building	238,835.89

END OF VOLUME I